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THE DAWN OF DEMOCRACY**



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CANADA'S WEEKLY NEWSMAGAZINE

MAY 9, 1994 \$3.50

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CANADA'S WEEKLY NEWSMAGAZINE
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The dawn of democracy

22 Euphoria, fear and frustration mark South Africa's first free elections as millions of blacks, whites, Asians and so-called coloreds flock to the ballot box—and sweep away the last vestige of apartheid.



Are they worth it?

34 Until recently, Lawrence Bloomberg was just another successful Bay Street broker with a Porsche in his parking spot. His \$6.9-million salary, however, has catapulted him into the ranks of rock stars and top executives. It has also helped fuel a vigorous debate over the escalating earnings of corporate executives, reward for risk and who is worth how much

Keeper of the faith

44 Victoria Matthews, Canada's first female Anglican bishop, is globally aware of the challenges of leading a Christian institution into the next century. As a blur of declining membership, budget shortfalls and sex scandals involving church officials, the most pressing problem is the very survival of the faith

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LETTERS

Class conscious

Yes, "a young woman's pride is a precious commodity," but surely it is possible to give young women a sense of their own worth without pushing the widest stereotypes that appear to exist at The Ladies School ("Schooled for success," Education, April 25). While it is important that young girls have examples before them of women who are successful in their chosen careers, I can't help feel that Ladies School pupils are being taught to despise men simply because they are men and to me that's a step backward.

Valerie Webb
West Vancouver, B.C.



The girls of Ladies School there are her sons on this Earth

Although there are many positive aspects to The Ladies School, the creation of a "completely women-centred curriculum" is extremely problematic. The reasonable fact is that there are two sexes on this Earth, each of which has made and will continue to make major contributions to society. Neither blind prejudice nor blind feminism is the answer.

Ken Lando,
Montreal

As a mother of two small daughters, I am delighted to find this academy, hence celebrating the lives of women in history and contemporary society. As a mother of a son, however, I am distressed that a group of young women would lose a fellow student who says she wants to share her school with boys.

Lori Alan Gersht,
Toronto

A daughter who is exposed to an exclusively feminist environment during her formative years is quite likely to enter adulthood with intolerance towards all males. How happy will a young female be in the work beyond school if she has been trained from childhood to regard all domestic half the human race? Feminism has many positive qualities, but it should be applied with fairness and balance.

Elizabeth McLeod, Ann Poon,
Susan Hughes, Sydney Clark,
St. Clement's School
Toronto

You mistakenly quote me as stating, "Every male brought up in that environment [boys' schools] is a casualty." Although I do believe, in this day and age, that there is no rationale for single-sex male education in a

predominantly residential setting, in no way do I view the products of boys' schools as casualties.

David Rodden
Horseshoe, Lakeside College School
Lakeland, Ont.

Special impact

Your story on Miss Christie ("A very private life," Inside, April 15) was enlightening and entertaining. You state, however, that during the election campaign "the quote-only man, briefly in India . . . at a Liberal rally in Hamilton." She also spoke, again in India, at a rally in Toronto. I remember it because I could feel its impact on the audience, afterward I saw old men with tears in their eyes.

Guy Shipway,
Lindsay, Ont.

Fitting memorial

Fred Baring wants audiences to question the "pettiness, brutality and ethnic hatred that attend the Holocaust" ("The problem with Schoenfeld's List," An American View, April 25). That's a pretty full order considering the staggering number of people who don't know what the Holocaust was, let alone believe it ever happened. As a testament to a period of unfathomable evil, the movie may be flawed. Nevertheless, it is an effective medium for teaching a too easily forgotten history lesson to a public that does not necessarily want to know or remember. That's good enough for me.

Reanne Rubin,
Toronto

Sports pages

As a journalist, your Peter C. Newman disclaimer from self and your publication in his column of April 18 ("Canadian magazines, like this one, matter," The Nation's Business) the consensus applies with oranges in suggesting that Sports Illustrated Canada's per page cost for an advertisement is \$6,250 compared with \$25,250 for Maclean's, without considering that Maclean's circulation is more than four times that of Sports Illustrated Canada. The only reason that Sports Illustrated Canada was able to establish their with permission was that it was an expansion of the existing business of View Canada, which has more than 100,000 of printing and distribution jobs in Canada for over 30 years.

Nicholas P. Betteau
Sales manager Sports Illustrated Canada
Toronto

Green still green

Your April 25 article "The greening of the greens," (Environment) quotes a professor comparing the carbon dioxide levels of 1985 with that of 1980 and concluding that predictions on climate change are "a perversion of scientific responsibility." You do a disservice to your readers by failing to report that there is an international scientific consensus on the role of carbon dioxide in global warming, and that Canada has properly established a policy of stabilizing carbon dioxide emissions at 1990 levels by the year 2004. The environment as a "sassy" is not dead.

Jon Fellen,
Executive Director,
The David Suzuki Foundation
Vancouver

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Good foundations

As a recent graduate from teachers college and stay-at-home mother by choice, I read your cover package on public schools with great interest. ("Are we cheating our kids?" March 14.) I'm confused when I instinctively know the best start I can give my seven-year-old son is here at home. Many children learn who take their learning seriously are contributing one of the most important and valuable resources to our country—healthy, well-adjusted children who will become confident, successful adults. What more important job could there be?

Valerie Angus
Scarborough, Ont.

As a Grade 5 and Grade 6 teacher, I'm really tired of hearing about the problems with education in Canada. The education system is a macabre of a mixed-up second system so often to mystery that it's in some difficulty. In creased violence, substance abuse, and sexual abuse are only three of the social problems educators are faced with every day. We're all on the planet with one common goal: to teach future generations through our example. It's time we started teaching them again about the value of hard work and becoming decent human beings. Maybe these schools can reform to be the best and quality education.

Cory Bourke
Abbots, Ont.

As an assistant language teacher in Japan, I find without a doubt that Japanese students are far advanced in many subjects, but what is often ignored is that they also lag behind in many areas considered essential to Western society. Japanese students learn by rote and memorization. Analysis and application are largely ignored. For example, I often conduct an intake class of high level students by changing one word in an English sentence. One more question, then if these students truly learned English, or simply how to memorize a textbook and pass exams.

Kelly Ann Andrews
Tokushima, Japan

'We can be nasty'

Your coverage of the Sorashiki affair ("A line had men" Cover March 28) made me sick. I heard the same kind of self-righteous ranting during the Vietnam War—no rise in anger here the side bubble that is Canada. Where are the cover stories of the

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average brutality going on in Angola? In Chad? You better ignore it or ensure that most responses, public behavior on one side and go into ranting tirades of righteous indignation at the mere suggestion that "we" can be (almost) as nasty as "they." Your implicit double standard betrays a deep-seated and wrong notion that it is all the more precise for an individual.

S. R. Ross
 Pasadena, NMD

The Elvin Kye Brown, double handed

Maclean's is right to note that the Canadian Airborne Regiment is a culture. Airborne soldiers are, indeed, a separate breed. The Airborne soldier is the only one in the military with the training and temperament to work in an environment that would see his regular soldier's cousin. Despite military historian Guyvaire Dyer's comment that the Airborne is a "factory," it can be just as easily termed as a necessity, especially considering the volume of work that has followed the breakup of the Soviet Union.

Angus M. B. Scott,
Toronto

It was refreshing to read Allan Fotheringham's pointed questions about the practical details of Quebec secession ("The pressing issues in Ottawa," April 18). It reminds me of that old game show *Let's Make a Deal*. I'm not prepared to start discussing—or voting on—a deal until I know whether I'm be-

ing asked to trade the new car behind door No. 1 for the doorknob car behind door No. 2. Let's get the leaders of Canada and Quebec in business on the details of separation before we have any referendum. Only if they do so can the question be reasonably decided by democratic means.

Chris Widary
Assistant

Alan Fotheringham says that Ottawa climbs the wall and does strange things to people. This probably explains why he chose to write about the bells and the church bells keeping him awake during his visit to Mexico ("The bells of San Miguel," April 11), ignoring the country's recent spate of assassinations of a major political leader and countless other problems. At least we know that Fotheringham is not dead.

Philip Adler,
Therapist, Ont.

Implicit for the hotly debated expansion of Canada's new foreign policy is espoused by minister of foreign affairs Andre Guellet and International Trade Minister Roy MacLaren (A change of heart? Canada, March 25). Now that we have accepted that "trade policy and foreign policy are the same thing" and that Canada will find ways of critics like human rights abuses "without compromising our chance of doing business," we have defined an entirely new set of political business norms. Perhaps, Canada can also

*Ralph Haslam
Governor, Tennessee*

I was pleased to see the Libsoids believe we must rethink our foreign policy. Accounts of 18 million people trying to force a country of a billion people (China) to adopt our human rights policies is comparable to the bill trying to wage the drug. And the fact that the Libsoids have reduced foreign aid is admirable. We should use our available resources to close up our own backyard. Who knows, we may even solve the deficit problem and keep our nation as one piece.

Fred J. Crane,
Nashua, N. H.

Markus's references include notes for letters, sample letters, and for many and more. Please supply your address and telephone numbers. Write letters to the Editor: Markus's magazine, 777 Bay St. Toronto, Ont. M5S 2A7. Tel. 593-1000. FAX 596-5320.

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OPENING NOTES



Commercials in rerun

Environmentalists have long preached the three R's: Reduce, Reuse and Recycle. Now, a Montreal advertising agency is putting its own spin on that environmental message. AdvertisEdge Television Advertising Canada helps its clients recycle and reuse something that is plentiful: supply old TV ads. The eight-month old company helps would-be advertisers purchase market rights to successful Canadian U.S. and international ads and credit them with their own company logos and voiceovers. For instance, a series of Canadian ads for DeLong coffee medication became spots for Recall drug stores in the United States. AdvertisEdge Canada president Brian Levine says that "pre-owned" ads will sell for between \$2 000 and \$32 000, a price compared with the \$250 000 it can cost to produce an original 30-second TV ad. That original actors and models in ads are never paid to promote when the ads are shown again. And the company that paid for the ads is the first place you see a few dollars out of commercials that, in most cases, had been heavily sitting on a shelf gathering dust. Brian Levine: "It's shockingly low-cost money." Don't touch that dial.

WORD FOR WORD

The private and the public

For some, the glowing eulogies to Richard Naame last week seemed appropriate to a day of main mourning. To others, for whom the 1990s seemed the burning of Canada and domestic upheaval during Naame's 2003 presidency are still bitter memories, the obituary piece seemed like an exercise in mass prostitution.

A case in point: In 1970, while attending on Ottawa based on US secretary of state, Henry Kissinger met Naame. Kissinger's private remarks became public when a microphone on his table was accidentally left on. The overheard remarks of Richard Naame, courtesy of Henry Kissinger:

"You know, he was an odd man... unpleasant... at first. When he got over himself, he thought it was very carefully no nothing was spontaneous. He didn't enjoy meeting people and people sensed it, and that made them uncomfortable. What I have never understood is how he became a politician. He really dislikes people."

—Kissinger, on Naame on Oct. 15, 1975

"When I learned the final news, by then so expected yet so hard to accept, I felt a profound void. In the words of Shakespeare, 'It was a man, take him for all in all, I shall not look upon his like again.' Richard Naame's grace in accomplishing what was so much harder as it was possible, to lead from strength at a moment of apparent weakness to triumph, a natural resistance and then to lay the basis for victory in the Cold War. Sky and with friends, Richard Naame made his mark, well known as the most prominent of professionals and stood himself to conspicuous acts of extraordinary courage."

So let us come my goodbyes to our brilliant friend. He stood on promises that dissolved into percepts. He achieved greatly and he suffered deeply, but he never gave up... Richard Naame called a war, and he advanced that vision of peace in his Quebec youth. He was devoted to his family. He loved his country. And he considered serving his house. It was a privilege to have been allowed to help him."

—Kissinger at Naame's funeral in Toronto, Ont., on April 27, 1994



Naame. Shown in mid-1990s, perhaps



Sagan vs. Butt-Head

Remember Walt, the Scopes monkey trial for "that first American trial"? Sagan, it seems, took umbrage at being called a "butt-head"—and at the comparison to the loathsome cartoon hero of TV's *Beavis and Butt-Head* cartoon. Last month, his lawyers filed suit against Apple for unspecified damages, claiming defamation of character. But Sagan's lawyers say in the suit that the name has subjected their client to "harassment, ridicule and obloquy." But other legal experts are not so sure. "Technically one could argue that butt-head is defamatory, but you'd start to laugh it out of court," says Toronto lawyer Jean Porter, a leading authority on libel law. "You would be in a pretty tight spot to make a return of \$10—and make an out of \$10." Case closed?



PASSAGES

AWARDS: In 1981 Richardson, 56, the Stephen Leacock Award for Humor, for his novel *Double Happiness* and *Shoehead*, by a five-point vote, in 1979.

His Vancouver writer and broadcaster, who has written two other novels, was selected from among 40 writers. Richardson is a regular contributor to *Globe and Mail*, CBC's daily national news/interview program, and hosts its summer replacement, *Commedia*. His prize-winning novel, *Commedia*, received both the 1990 and 1991 *Globe and Mail* Best Canadian Book Award. The award is worth \$5,000.

RECOVERING: Page John Paul B. 72, after an operation to repair his fractured right thigh bone, broken when he slipped while on the set of his book, is a homebound. The point is expected to be hospitalized for up to three weeks and will have to give up sleep and mountain climbing.

RETIRED: Former heavyweight boxing champion *Bonnie Holby*, 31, after his doctor discovered a congenital heart condition, four days after losing his title in an April 22 bout with fellow American *Michael Smother*. Holby's heart condition, which is not life-threatening, was discovered after he underwent treatment for a minor kidney problem.

DIED: Western music star *Amos (King) Green*, 75, who appeared on the popular 1960s CBC TV program *Country Roadshow*, a 1960s, in his hometown, Calif., home, a native of Smith County, Ga., Green died of cancer. He had been in the hospital for his cancer since he was 70. He had been in the hospital for his cancer since he was 70.

APPOINTED: Margaret McCain, 70, a member of one of New Brunswick's most powerful families, as lieutenant-governor of that province by Prime Minister Jean Chrétien. McCain, currently chancellor of Mount Allison University in Sackville, N.B., is the wife of McCain Foods Ltd. president *William McCain*.

DIED: British actor *Derek Laing*, 62, best known for playing Lord David, the host of the 1970s series *David*, died of a heart attack in Stratford-upon-Avon.

WITHDRAWN: Charges against *Harold Levy*, 65, a Toronto lawyer and coauthor of *The Toronto Star's* editorial board, have been dropped of several sexual offences a year ago. According to Levy's lawyer, the complaint identified that the charges were false.

Have gun, will travel

With the Canadian dollar taking poorly against the U.S. dollar—the latter is at its lowest level since 1985—tourist officials are deciding that Canada will be a popular destination this summer. Both with Canadians who decide to travel on their own and with American tourists looking for a bargain. Anyone planning to travel in Canada can pick up a wealth of glossy brochures outlining the standard attractions across the country by accommodation and delicious regional cuisine. But some provincial tourism boards have taken a somewhat different approach in their promotional materials. A former Edward Mead firm, for instance, seems to be catering to a highly specialized market when it issues that rural destinations will be available for customers in July and August. And a travel guide for visitors to British Columbia says that visitors who want to see when it rains will find it "all the time." In the Yukon, meanwhile, some travel guides provide the territory's promotional brochures instead of visitors that they may bring a rock or shotgun into the territory for protection against bears. But it also states that those who actually use their weapons for that purpose "most unfortunately report the killing is a Yukon conservation officer and turn in the skull and hide." It gives a whole new meaning to the phrase "target marketing."



BEST-SELLERS

FICTION

1. *The Shipping News*, by E. V. Rieu (2)
2. *The Plot of the Day*, by E. V. Rieu (2)
3. *The Plot of the Day*, by E. V. Rieu (2)
4. *The Plot of the Day*, by E. V. Rieu (2)
5. *The Plot of the Day*, by E. V. Rieu (2)
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7. *The Plot of the Day*, by E. V. Rieu (2)
8. *The Plot of the Day*, by E. V. Rieu (2)
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10. *The Plot of the Day*, by E. V. Rieu (2)

NONFICTION

1. *The Shipping News*, by E. V. Rieu (2)
2. *The Plot of the Day*, by E. V. Rieu (2)
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Compiled by Peter Levine

1. Fiction/2000

POWERHOUSE POLITICS

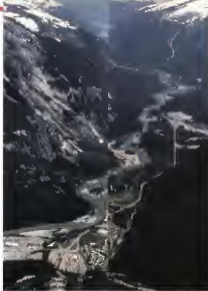
Environmentalists wage a bitter battle against a B.C. megaproject

For its time, it was a landmark of postwar progress. Across the country, youngsters of the 1950s were taught in public school that visionary Canadian engineers had bored through mountains in British Columbia to harness wilderness rivers and produce electricity. The power would be used to make aluminum at a place called Kitimat. With the optimism characteristic of the decade, the wilderness on the B.C. coast 750 km north of Vancouver was celebrated as a triumph as the turning of the young country's vast and undeveloped north. There was some concern for what the wholesale rearranging of upstream rivers would mean for wildlife, or for the Indians whose homes stood in the way.

Now, 40 years after Montreal-based Alcan Aluminium Ltd. completed the coastsides, private powerhouses and Bennett Kitimat smelter, the company wants to expand those facilities. And in order to drive four new tailraces in a second powerhouse, Alcan wants to divert yet more water from B.C. rivers.

The diversion will reduce run-rates, the 176-million-hc/mile, to one-tenth of its original level in some stretches. But Alcan has changed drastically. At public hearings that continue this week in Vancouver, Alcan's \$1.5-billion Keesee Completion Project (named for a river downstream from the powerhouse) has emerged as the project's scandal-ridden environmental centerpiece after the attention has once lagged in Chehalis Sound.

At Kitimat, say the project's critics, is nothing less than the survival of the West Coast salmon fishery. Alcan insists that it can satisfy its tailraces' thirst for water without devastating Pacific salmon stocks in a calamitous mishap at the disappearance of Atlantic codfish. West Coast fisheries, who banded a \$400 million worth of salmon from B.C. waters last year, are among the most skeptical that Alcan can now live its life, which once meant to island towns is regarded. "It might work, in eight out," says Stan Barrows, environmental director of the 6,000-member United Fishermen and Allied



Workers claim that if it doesn't, we lose all the salmon forever. "But the answer to Alcan's demand for additional water is that: 'We can cure dry'."

But critics raise other equally sleep questions about Alcan's project. For one, how did the giant international corporation, with operations in about 30 countries, secure a highly unusual exemption from federal environmental laws in 1969? Skeptics also note that the firm's apparent desire to expand its capacity in a time when a world scarcity of aluminum has forced its price to skyrocket by levels. The scarce scrutiny has even prompted speculation that Alcan may prefer to back away from its expansion plan. But even that could have painful consequences. Alcan has already spent \$500 million on its project, if the company is forced to abandon

Chief Chehalis is a big part of the province is being written off.

The Keesee valley—where say that the salmon fishery is threatened.

the undertaking now, a costly demand for dollars of millions of dollars in compensation from federal and B.C. taxpayers.

Alcan executives dismiss such talk as premature. Instead, they insist that the company is eager to increase its expansion, that they conduct both low-risk and high-risk projects. The new development would expand water that now flows east out of the Alcan reservoir into the Nechako and Fraser rivers. Diverted by the running Keesee Dam on the Nechako, water would instead flow west, through a new tunnel to a second power house used to the company's original use. The new generating station would add 540 megawatts to Alcan's generating capacity of just under 300 megawatts.

The benefits for Alcan at least, are plain. Under its original agreement with British



Columbia signed in 1956, the company pays only a minimal royalty for water used to generate electricity that, in turn, is used to produce aluminum. The charge, calculated by a formula linked to world aluminum prices, is about one-fifth what the province charges its own utility, B.C. Hydro. The concession is highly valuable to Alcan, the price of energy typically accounts for about a third of the cost of producing aluminum. Under the 1956 deal, moreover, the concessionary rate will be applied in perpetuity to all the water used in whatever generating capacity Alcan has built and put into service by the year 2000 (as long as the electricity is used to make aluminum). With that deadline in view, Alcan's vice-president for British Columbia, Bill Beck, acknowledges, "Even though we don't need it for aluminum now, we still want to develop the rest of this energy potential by 1999." Until the power is needed for making aluminum, he adds, Alcan plans to sell to B.C. Hydro—a policy though unadmittedly.

More officially in the project's future, many scientists now doubt whether there is enough water in the rugged Coastal mountain range both to turn the additional outflows that Alcan plans to install and to protect the region's fish. Indeed, experts from the federal department of fisheries and oceans who first assessed Alcan's proposals in the early 1960s concluded that the company's plans would not leave enough water in the Nechako River to sustain salmon and sockeye salmon, two important species that use the river either as spawners or as a route to spawning beds in other streams.

By 1967, in fact, relations between the company and the department were so strained that they were on the verge of suing their dispute to court. But that is not how fisheries minister Thomas Siddons ordered his scientists to view the "non-negotiable" towards the company. The result of Siddons' intervention was an initial four-day probe starting in August, 1967, attended by fishery experts from both the federal and B.C. governments, as well as the company. The group emerged with an unexpected agreement: Alcan would be allowed all the water from the Nechako that it had originally

asked for, and Ottawa would abandon its opposition to the company's proposals. In return, Alcan agreed to claim under the 1956 agreement to water from another major stream in the area, the Skeena, and order tools to protect sockeye and chinook salmon in the Nechako.

It was a critical agreement. With its conclusion, says Alcan's Beck, "both the federal and provincial governments said, 'You have met every requirement.' We signed that and began the project." Ottawa remained its approval in 1966 when the cabinet of the prime minister Brian Mulroney reversed the company from submitting its plan to a federal environmental assessment review.

Within a year of securing that exemption, however, Alcan's concession began to falter. New doubts began to surface about the impact of the project, as well as about Alcan's easy relationship with the Tory government in Ottawa. In 1980, a federal review board found that the impact of Nechako salmon from Alcan's project would be as much as seven times more severe than the company had estimated. Documents linked from the federal fisheries department, meanwhile, showed that senior officials had put pressure on research scientists to use down-to-earth criticisms of Alcan's proposals. And in 1991, legal challenges forced Alcan to suspend construction.

Some of the most telling criticism came from former employees of the fisheries department. Bernard Harrison, now with Gordon Harrison, for one, charged that the 1980 settlement was "a political decision, not a scientific one." Alcan was trying to acquire an expensive assurance to protect Nechako salmon. A former colleague at the federal agency linked Harrison's concerns to Mulroney's remark: "Resource conservation would reduce the sockeye and chinook salmon runs to seven percent." The fisheries' verdict, therefore, is that the project should not be undertaken. "The Tory cabinet's better to protect Alcan's interests than to protect the Nechako," he adds. "The government's review also provoked debate in Ottawa. In June, 1993, a joint committee of the Senate and House of Commons determined that the exemption was "both illegal and subversive of constitutional government."

At the time, the case for people living downstream from Alcan's dams on the Nechako River found other reasons for alarm. Chehalis Indians, forced from their ancestral lands in 1951 by rising water along an Alcan reservoir highway, accused the company of ignoring the death that is now also poised to threaten fish such as trout and salmon, as well as the relocated band. The 110-strong Chehalis "A big part of the province is being written off forever to the benefit of the few who own it. We have no future here." Now native residents expressed concern that the company's demands would leave the river too low to provide water for irrigation and local industry—or even to fish.



a course. "There was water put inside for Alexis and for the salmon," said Pamela Shelly of Fort Fraser, 120 km west of Prince George. "But there was no water put inside for the people."

With doubts about the project growing, the B.C. government early last year instructed the province's utility commissions (which normally regulate energy prices) to review the impact of Alexis's proposals. Public hearings by the panel begin a year ago and continue that week in Vancouver, when federal fisheries ministers will present the consultation with their latest assessment of Alexis's proposals for protecting salmon. After initially condemning Alexis's plan and, then, in 1987, endorsing them, federal officials have become more circumspect in their judgments. Confronted by Minister's last week, Donald Norman, director of the federal department's Pacific research establishment at Nanaimo on Vancouver Island, refused to say whether his agency remains satisfied with Alexis's performance. He also declined to explain why the department's official position changed during two private meetings with Alexis in 1987. Indeed, Norman predicted that individual scientists might disagree that any the hearings. "It is going to be an open process," he said. "Scientists can tell their version of events."

The provincial panel is expected to report its findings by September, but it is unlikely to end the controversy. For one thing, the B.C. government's opposition to the utility commission expressly held it from considering impacts beyond the immediate watershed of the Nicola and Kootenai rivers—or from recommending that the project be stopped. That contentious mandate leaves open the possibility that the offshore federal government in Ottawa may insist upon a zone-wide ongoing environmental review. Federal Fisheries Minister Brian Tobin, in fact, has said a possibility in February. "I will not slow the habitat, and I will not allow the resources to be squandered," Tobin told The Vancouver Sun. David Anderson, the federal minister responsible for British Columbia, has also said it is clear that the cabinet is prepared, if necessary, to kill the project.

As challenges to Alexis's own view of its expansion accelerate, a few observers suggest that the company might be willing to accept its smallest project developed separately. They note that Alexis has earned a profit since 1980, and lost \$140 million in 1983. Meanwhile, the company has accumulated interest charges of \$70 million to date on the money that it has already borrowed for the undertaking. Rich, however, insists that his company "hasn't lost a single working day." Adds the 55-year-old engineer: "I believe very strongly that I will go back to the upper Nicola in 15 or 20 years and there will be lots of fish." Whether there will also be a second Alexis powerhouse is plainly something else again.

GILES WOOD is in Vancouver.

To spank, seduce or scold?

If your life's rule was mating about leaving you, how would you react? Would you say snail-bushes that you could not afford, in the hope that your generosity would be appreciated? Would you demand the continuing criticisms as inconsequential, as wares that, but as its might be with you, it would be even worse? Would you, in short, offer terms of endearment or begin to consider terms of separation?

In the case of Jean Chrétien's government and its approach to Quebec, the answer is "yes" to most of the above. Therein lies the problem. The federal Liberal's dilemma in Quebec is not that they have no strategy—but rather that they have too many. When Chrétien's Quebec, he treats, like Stephen Harper's comic character, Lord Roullet, to King Jester's upon his knees and ride cowboy in all directions.

The Liberals can not decide whether Quebec's seven million citizens should be collectively spanked, seduced, or scolded in silence, as they reach, finally, Chrétien kept a level tone in exchanges with the Blue Quebecers in the House of Commons. Now his manner is scolding as meticulously busy exchanges with the MPs, a speech in Ottawa last week, and another two weeks in Montreal, Chrétien has again begun discussing the issue of national unity.

Meanwhile, the Liberal's efforts at seduction are piddling and clumsy. They amount to celebrating and trumpeting every occasion on which the federal government gives money directly to Quebec communities. The most recent and richest of these, of course, was the \$4.6-billion grant to help build an industrial history museum in the Prince-Montréal St. Maurice riding. Another example was the Liberal's move in March to award an international environmental agency to Montreal over 28 competitors, including Toronto. Although that decision was easily justifiable, Environment Minister Sheila Copps handled the announcement so clumsily that the result was a nasty battle



BACKSTAGE OTTAWA

BY RYAN HOOT WILSON-SMITH



Chrétien, Johnson Liberals are riding snail on all directions

war between the two cities—and a lingering impression elsewhere that Quebec was once working provincialism.

In fact, relatively few people in Quebec—other than those with direct vested interests—are impressed by projects that carry the wall of posters right. On the other hand, the province's fledgling Quebec-based federalism in the provincial Liberal government would be a disaster to welcome a sign that their coalition in Ottawa are prepared to deal with them, rather than ignore them. Among other things, the federal Liberals have satisfied a long-standing dream with Quebec that could have been advantageous to both sides, rather than a disaster to both sides, rather than a disaster to both sides.

Prime Minister Jean Chrétien's government by closing College Avenue and with a warning, and authorized their provincial counterparts by promising—again without consultation—to be "sensitive" a drug point law that has had a large and beneficial economic impact in Quebec by attracting new investment there by pharmaceutical companies.

After treatment for Johnson, the most unambiguously federalist premier the province has had in 30 years.

Another problem is that Chrétien—whose inner circle consists almost entirely of Quebecers—has too many policy coaches and too few key players. None of the Liberal's Quebec ministers evokes much interest at home, other than Finance Minister Paul Martin—who is regarded, despite his father's famous remark, as more of an enigma. The only federalist who evokes real excitement in Quebec is Jean Charest, a leader briefly of a party. To use an obvious metaphor for this time of year, when they last can stand Quebec sovereignty based in 1980 the Liberals were the political right of the Montreal Canadiens—a liberal-less dynasty. The latter-day Liberals and Canadians are short on offense, outmatched by their opponents and overly dependent on tradition and statistics. And as Quebec's political season, the playoffs are just beginning.

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CANADA

In the cross fire Gang-related violence claims innocent lives

It was 2 a.m. and Theo the German shepherd was getting restless. And so he often did. Glen Olson, 29, obliged Theo by taking him for a walk. As they left their south Vancouver home, the air was warm and clear. But a few minutes later, Olson's neighbors were jolted out of their sleep by what some thought were firecrackers. They drifted off to sleep again, only to be awakened a few hours later by police, who had discovered Theo guarding Olson's father-in-law's body in a nearby laneway. The father-in-law's office clerk had been cut down in a burst of automatic rifle fire, which police later said was the work of an underworld assassin who had mistaken Olson for another man. "This is an attack on all citizens of Canada," said Vancouver Mayor Philip Owen. "None of us will get up with this any more."

Olson's death was just one of several across Canada linked to gang-related violence last week. On April 22 in Calgary, Jonathan Olson, an 18-year-old Filipino immigrant, was gunned down outside a mall in a drive-by shooting that police say may have been provoked by a feud between rival gangs. And in Chatham, Ont., residents expressed outrage last week when the strangely bearded body of seven-year-old Duany Miller was found in an abandoned brickyard. Jeffrey

Marley, an 18-year-old resident of the southwestern Ontario city, was charged with first degree murder.

According to Chatham Mayor William Erickson, the city of 43,000 has been increased



The Vancouver murder scene: This is an attack on all citizens of Canada

by a gang known as the Chinatown Minded Corporation, which angry residents say has been responsible for a number of assaults in the town. Erickson said that Marley's older brother, 21-year-old Marvin, was a paid killer and

ago was sentenced to 36 months on drug-related charges. "He's a leader of the gang," said Erickson and residents were warning: "Don't people had better wake up," said the mayor.

Like other recent murder victims, Olson and Miller were 18th though's no apparent fault of their own. Olson, who was just a native, had recently moved to Vancouver from the Yukon. His neighbors said he was a gentle man who loved computers and hoped to pursue a career in that area. But he had unwittingly rented a room in a home next door to Blade Hotel, a site where Vancouver

police say is a suspect in the murders earlier this year of two 20th brothers, Jonathan (Tony) Doughty, 27, and Raoul (Randy Doughty) 20. According to the police, Jonathan Doughty also known as Big Jim, was a paid killer and

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WORLD

THE DAWN OF DEMOCRACY

Four days of voting in South Africa mark the end of apartheid and the beginning of a long road to equality

They began queuing well before sunrise, as if getting in the polls early could hasten the dawn of a new South Africa. Some of the elderly came on crutches, or clutching crumpled photos of Nelson Mandela so that they would leave whose face on the ballot paper to put their mark beside. In keeping with South Africa's violent ethos, some younger voters at the black townships picked guns. By mid-morning on April 27, the second day of voting, the lines of those waiting to cast ballots in the country's first democratic elections were very long and moving very, very slowly. At some of the more than 8,000 polling stations, the ballot papers did not even arrive. But miraculously, over three days—and then a heavily added fourth in some areas—South Africans of all races crossed their final river. They crossed their X and, in doing so, graciously swept away the end of apartheid.

In true South African fashion, the old racist regime died in a kaleidoscope of confusion. There was rage, riot, even in the joyous faces of those voting for the first time—including that of Mandela, the 75-year-old leader of the African National Congress (ANC) whose untrodden resolve during 27 years in prison helped to outpace the black war to freedom. There was fear, left by blacks and whites alike, at the prospect of violence from unrepentant racist whites, who made good on their threats to disrupt the elections. Enthusiasm rocked several voting stations, while two car bombs in and around Johannesburg on the eve of the election killed 29 people. And there was plenty of frustration with a sometimes chaotic balloting process. Somehow, although computers printed 49 million ballots, there were not enough for the estimated 22 million voters. All sides cried foul, and the counting process, which began Sunday, was slow and controversial.

Still the elections offered reason to hope that South Africa's worst trials are over; that the country is headed "out of the darkness into the glorious light," befitting the inscription on a wreath Mandela laid last week at the grave of ANC leader John Dube. It will still be a tough



Mandela casting his ballot, a voter in KwaZulu-Natal (below) at a polling station in Johannesburg (left): 'Into the glorious light'





Voting is a schoolhouse south of Durban; a crowd in Cape Town cheers the country's new flag (below); an election flogged by apartheid, fear and frustration

WORLD

journey. Mandela, who is expected to be named president by the 400 deputies of the new National Assembly as early as this week, faces a heavy challenge in restoring the expectations of millions of poor blacks who have always assumed that universal suffrage would bring to an end to their personal suffering. He will preside over a permanent split into noisy, impatient and suspicious parties and factions, and he will have to find a way to restrain prosperity in the South African economy.

Throughout election week, Mandela repeatedly struck a note of reconciliation, which he hoped would spread across a country that has perfected the art of division. "Let bygones be bygones," he implored. "Let us heal the wounds of the past." And he showed, on every occasion, how this could be done, stopping to say hello to a group of white policemen after catching his own reflection in a shop window in Natal province. "We went through a tough school, you know, but there's no bitterness there," said one white policeman. "It's incredible." That has been Mandela's theme throughout

the campaign: forgiveness, healing, a fresh start. "We would like the white community to realize that we cannot build this country without them," Mandela said.

Part of that pitch is simple pragmatism. To govern, Mandela needs the whites who run the country's businesses, its civil services and its security services. The mutual dependency between South Africa's million whites and 30 million blacks was the basis of the deal struck last year between the ANC and the National Party, which paved the way for the elections and the government of national unity that will rule the country until 1999. The new government is said to be ANC-led. But it has guaranteed cabinet posts for 400 party—19 were running nationally—that involves at least 5 per cent of the vote.

Concretely, the deal allowed white civil servants to keep their jobs for the years and to retain their pensions. In a month, whites will retain much of their influence, at least in the short term, until blacks step into the senior posts that will be opened to them by the



transition living. It is a sign of outgoing State President F. W. de Klerk's political acuity: preserving a solid ramp of white power in the post-apartheid order. But it also means that the new government will have a large—and growing—able sector, probably requiring it to borrow heavily from international lenders. That situation is sure to worry jittery investors. They are already unsettled by the alliance between the South African Communist Party and the ANC, and by Mandela's ambitious plans to boost spending on housing and education. The tensions between the requirements of foreign lenders and domestic demands for the fruits of freedom will test Mandela almost as soon as he takes office.

He will also preside over what is sure to be a diverse round of constitutional negotiations, which must be completed within two years. The National Assembly, with 200 members elected at large and 200 more from the nine new provinces, must draw a constitution that can win two-thirds support from the parliament.

In most difficult challenge will be bridging a balance between the powers of the central government and those of the provinces. The ANC has always favored a highly centralized state. But it will have to accommodate the demands of KwaZulu Natal, where the rival Inkatha Freedom Party claims its ground support and its dominating native power base. Inkatha's leader, Chief Mangosuthu Buthe, wants autonomy to promote the Zulu culture and preserve his own power.

Another demand for special status will come from hardline Afrikaners, who want a homeland, or white homeland, within South Africa. The ANC has attempted to discuss the principle of a political deal. But Afrikaners cannot even say where that homeland should be, and content to demand the right to deny blacks who live there the vote—a non-starter with the ANC.

The gravest threat to the new government does not lie in the legislative domain. For the next five years, young, armed and dangerous Inkatha and ANC supporters have waged war in the dusty South African townships. That war is crucial to establishing the new government's legitimacy. That would likely require a massive purge of local police forces, whose members are regarded with both awe and mistrust by all. "There is a huge gap between the police and the community," said Jethro Cuthy, who works with a local church group in the townships around Port Shepstone on the rural coast, where some of the worst violence has erupted. "The only businesses thriving here are gunners and licensed jackpots."

Changing the guard in a corrupt police force is one thing. But Mandela must also quell the local hatreds that perpetuate the killings. One of his proposed solutions is to change the ownership of hotels, the dormitories that provide shelter to migrant workers and have proved fertile recruiting grounds for armed gangs. He

would allow more to live there only if they were with their families, believing that such an arrangement would reduce the tendency for bandits to prey on the company of others in perpetrating their armed raids.

Tensions between the ANC and Inkatha were evident throughout last week's voting. Some people traveled miles out of their way to reach voting stations in townships. And both sides complained about irregularities in the balloting, blaming each other for everything from a shortage of independent monitors to intimidation and an absence of ballots. "It does not seem likely that the elections will be free and fair," said Buthe in changing a vote at a voting station in KwaZulu Natal. Buthe's predictions, however, seemed dangerous. It was his decision to enter the campaign at the eleventh hour on April 11, by which time the ballots had already been printed, that caused much of the chaos. Armed organizers had to slash stickers bearing his

party's name and his photo to each voting slip. He tried to win the protest by making complaints by extending voting by a day in some areas, including KwaZulu Natal.

Getting out the vote seemed likely to help the ANC, which was the overwhelming choice of black voters. The only place where the tide was not expected to go to the ANC's way was in the Western Cape, where colored (mixed-race) voters—the largest demographic group in the province—overwhelmingly backed the National Party, their former oppressors. The Nationalists stripped coloreds of their voting rights and, in the 1950s and 1980s, drove them from their homes to distant land for white settlers. Now, however, many colored voters fear black rule, an emotion that was fuelled by National Party campaign tactics that included distributing a coloring book showing blacks lacking colorists from their homes. Said Chrisla Khadi, 41, of St. George's near Cape Town: "We know that the National Party has experience and they have changed. Mandela will not be able to control large groups of radicals."

The colored support for the National Party is all the more ironic because its local candidate for provincial premier was Herens Kriel, the pro-Nationalist and anti-apartheid hero who was awarded rank. Kriel spent part of last week shredding documents in his department office.

The widespread popularity of the National Party among coloreds underscores the depth of racism in South African politics. The ANC has tried to present itself as a national party, but in the short term it is undeniable that the country's major political parties will represent racial interests. "It will take time for blacks and whites to rally to a common South African identity," said Peter Van der Linde, a black advertising executive in Johannesburg. "We need common symbols, common sports teams, common rituals we can rally around, and those things

take time to develop. But they will come."

Despite the boasts and the predictable accusations of voting fraud, last week was a moment of relative calm in South Africa's turbulent history. The election showed that there was much to be optimistic about. No, the white township were not all at once overnight. Yes, the white extremists will continue to stalk, and violently threaten to create havoc. What was remarkable last week, however, was the absence of racial hostility or talk of black revenge. "Physically, I would feel more revenge and hatred," said Richard Goldstone, the white judge who led a high-profile investigation into the killing of black and ANC fighters by police elements of the white government. "It is interesting that they don't."

Mandela's heady's appeal for an amnesty on all crimes seemed to work last week. At times his style borders on anecdotal, but he has shaped important consensus as the preferred path. He has succeeded because of his willingness to play the long game, to talk to his enemies and reassure them and to listen. It worked with de Klerk, who eventually freed him and abandoned apartheid. More recently, it convinced Buthe to participate in an election that once seemed to promise only



■ **African Archbishop Desmond Tutu** at a time of widespread rejoicing

Moodish. Mandela also met with the white extremist leaders, and he insists that "dialogue, persuasion, entreaty, not coercion," is the best weapon against them. In his best moments, Mandela is not a populist playing to people's hopes, but a leader appealing to their capacity to dream. "What does a man want?" Mandela's Muslims asked him rhetorically,

sipping beer behind the stage of an ANC rally as Zulu dancers and musicians worked up a Durban crowd earlier this month. "We want to live. We want to live in peace. And we want to live in peace." Amen.

BRUCE WALLACE with **CHOS DUBOIS** on Cape Town

Witness to history

Nancy Gordon, a communications director at CNA Canada in Ottawa, was one of about 2,000 international observers monitoring last week's elections in South Africa. She was stationed at the Harpersburg and QuoQua districts of the Orange Free State, where she kept a daily diary. Excerpts

April 26: "I walked for six kilometers in an hour" for an old woman says as she makes her way to a special voting station, set up to allow the elderly, infirm and disabled to cast their ballots. That engaged protesters, along with a quiet dignity and cut through the confusion, characterizing the first day of voting.

The lines are long, the sun is hot and some of the voting stations are not as efficiently organized as they will become. That is the old people come with their cane, some leaning heavily on walking sticks, a few having to be carried. Many need help voting because they are illiterate. The presiding officers persistently insist on the presence of security forces in the presence of illiterate Commission, BACC, party agents and, sometimes, international observers. Several times I hear the official read out the long list of parties and leaders, with the voter lines intently until the official comes to the name

"Mandela," see the voter nod his or her head and say aloud, "Mandela," surely, and with a smile.

April 27: At 7 a.m., South African television shows Nelson Mandela casting his ballot in a small, very modest occasion. I think of watching him on TV in Ottawa living rooms four years ago in the company from 27 years in prison. The pace of change is both incredibly fast and agonizingly slow.

Long queues form early as the first day of regular voting begins. The lines, however, are orderly, and people smile shyly at foreign observers. Many come in their fifties. At Mont Plesant, a small community, a young woman dressed in a white lace dress is ordered the opportunity to vote because she will not turn 18 until September. At Verlorenhoek, an extremely rural district, white farmers have transported their black laborers to the voting station in large

trucks. Thirty such vehicles line the gravel road at noon. The wait is five hours. No white voters are in the lines. I wonder why, and someone explains that whites tend to have cars and, seeing a long line, simply drive elsewhere to vote. Transvaal is declared another paid public holiday to accommodate the high turnout.

April 28: Rumors abound on early morning television that voting may be extended by yet another day because of logistical problems. Our little group assembles at breakfast and wonders what all this means. Here there have been long lines, but no shortages of ballots.

We go first to the voting station at Aberdrie, another agricultural region. There is no lineup, and we are greeted warmly by the presiding officer. He tells us that yesterday a woman went into labor while waiting in line, an ambulance was summoned and she gave birth in hospital. She didn't vote in Aberdrie, but the papers carry stories of two new mothers who voted within hours of delivering their babies.

We spend the afternoon at voting stations in QuoQua, one of the former townships, a densely populated, nonwhite area, mostly men. There are over

70 voting stations here. My companions say that all were packed with people yesterday, but today none has anything resembling a crowd.

During lunch at the Fika Peace mountain resort, a tourist site where for nature lovers and hikers, we run into two observers from the United Nations and European Commission. The latter, from Belgium, is so impressed with the security that he walks through a plain glass window, something it is unthinkable.

"Tired, startled and slightly bored," as how one might observe characteristics of the official's attitude. This is a natural contrast to yesterday, when most were relaxed all three first. Returning to our hotel at sundown, we hear that voting will be extended another day in sections of the country where problems persist.

On Saturday the mood will begin a process that may prove less commanding and security. But this first, great experience in democracy in South Africa is a promising beginning, at least in the southwestern corner of the Orange Free State. I feel privileged to have had a small part in the process, and humbled by the seriousness and joy which South Africans have demonstrated during it.

900 MHz breakthrough!

New technology launches wireless speaker revolution...

Reconex develops breakthrough technology which transmits stereo sound through walls, ceilings and floors up to 150 feet

By Charles Aiken

I was told last week just how new, grooved, "the most revolutionary of the year" what would you call it? Well, as the most international Consumer Electronics show, other than Reconex's new wireless stereo speaker system, the Clogis

Crisp sound breakthrough your home. And imagine being able to listen to your stereo TV, VCR or CD player in any room of your house without having to run miles of speaker wire. Plus, you'll never have to worry about cables because the new 900 MHz technology allows

100-foot range through walls!

Reconex gives you the freedom to listen to music wherever you want. Since music is no longer limited to the front porch, you can listen to your TV stereo or CD player while you move freely between rooms, upstairs or downstairs. The new wireless headphones you can take to the office or to a local night club with the freedom of using your car's 120 watt stereo

The headphones and speakers have their own built-in receiver and are not connected between you and your stereo. The receiver is connected to your stereo's speaker and headphones.



Reconex headphones work through walls to wireless speakers over a 100-foot range.

Recently approved technology, in June of this year, the Federal Communications Commission announced that it would allow a band of radio frequencies from 880 to 920 MHz for use in wireless speakers over a 100-foot range.

Reconex, one of the world's leading wireless speaker manufacturers, took advantage of the FCC ruling by creating and introducing a new speaker system that utilizes the recently approved frequency band to transmit clear, stronger stereo signals throughout your home.

SWAMP WINNING WIRELESS SPEAKER



Reconex has now won the 900 MHz band for use in wireless speakers. Reconex's new technology allows you to listen to your stereo TV, VCR or CD player in any room of your house without having to run miles of speaker wire. Plus, you'll never have to worry about cables because the new 900 MHz technology allows stereo signals to travel over distances of 100 feet or more through walls, ceilings and floors without any wires. The system plugs into your stereo or TV computer, transmitting music wirelessly to your speakers or headphones. The system plugs into an outlet. The new headphones can be used to listen to the stereo or to a local night club with the freedom of using your car's 120 watt stereo. The headphones and speakers have their own built-in receiver and are not connected between you and your stereo. The receiver is connected to your stereo's speaker and headphones.



Reconex wireless speaker design. Listen your home with ease.

having guaranteed agreement and clearance. The new technology provides stereo, wireless sound that is truly a new environment. These speakers are also self-amplified. They don't need an external amplifier to work.

Stereo or not, you decide. These speakers have the option of either stereo or hi-fi sound. You can use two speakers, one set to right channel and the other set to left, full stereo separation. Or, if you want a single stereo speaker as stereo, you can use one stereo in both channels.

Reconex headphones are built in stereo. They have a built-in receiver and are not connected between you and your stereo. The receiver is connected to your stereo's speaker and headphones.

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DESTINATION CANADA

Even before the election, thousands of white South Africans had voted with their feet



I was running hard in Cape Town last July 26, and Valerie Venter's three daughters, now aged eight to 24, were too tired to attend the Sunday evening service at St. James Church. So Valerie, a 56-year-old police manager for a health-care company, her sales manager husband, Ceesus, 55, and their children stayed home—a decision that likely saved their lives. Four gunmen burst into the church that night, opened fire and lobbed hand grenades at the worshippers. Eleven people were killed, including a woman who usually sat in the front pew as the Venter's family, and 50 were injured. Already alarmed by the escalating violence in their troubled homeland, Valerie and her husband decided they had had enough. They immigrated to Canada in January and now live in Ottawa. "I really believe that South Africa could become as wealthy as America if the transition is managed correctly," said Venter. "Unfortunately, it's going to take at least 20 to 30 years."

Last week, millions of voters expressed their faith in South Africa by casting ballots in the country's first all-race elections. But thousands of other South Africans like the Venteres, and already voted with their feet. Government officials have not released accurate figures for the first quarter of 1994, although they contend that there has been no substantial exodus of frightened whites. Indeed, the country's largest moving company, Johannesburg-based Sturtevant Van Laan, has helped about 1,500 families relocate elsewhere over the past year—about average for a 12-month period, company officials say. But South Africa's newspapers carry



The Venteres of St. James Church after the massacre last July thought fear of the future

daily advertisements from companies offering seminars, workshops and other services for those who want to leave.

The most popular destination for emigrating South Africans, Sturtevant spokesman Peter Sturtevant says, is New Zealand. Canada is next, followed by Britain and the United States. Andy Kilian, South Africa's ambassador to Canada, said that approximately 150,000 South Africans now reside in this country, and that more are arriving at the rate of about 1,000 a year. (A spokesman for the South Africa Embassy in Washington

said that an estimated 100,000 South Africans now live in the United States.) Israel, despite its problems with politically inspired violence, attracted about 13,000 Jewish emigrants from South Africa between 1971 and 1990. But Israeli officials expect that as many as 1,500 South Africans Jews will arrive in the country this year, more than double the number who settled there in 1988.

Although most of those leaving South Africa are white, a few blacks have fled the political violence that has erupted as the country emerges from the rubble of apartheid. Vusi Shibi, a 30-year-old refugee from Soweto, the black township that was a hotbed of the anti-apartheid movement, left last June and eventually settled in Toronto. He said that the Inkatha Freedom Party had beaten him and four fellow Zulu nationalists for associating with the rival African National Congress. Shibi added that one of his friends was killed by an Inkatha hit squad, and that the killers were looking for him, too. "I would love to go back but not right now," he said. "I'm too scared."

While many recent white emigrants say they were disturbed by racial overtones and violence or felt threatened by black-majority rule, most add that career opportunities for them in South Africa appeared dim. Brian Lernerthal, a 26-year-old student in Los Angeles, predicted that South Africa will soon be plagued by poverty, political corruption and civil disorder—common problems in most of sub-Saharan Africa. "There can be no future for white people in South Africa," said Barbara Foster, a 39-year-old chemist who left Cape Town six weeks ago and is now looking for work in Washington, D.C. "I have no doubt that the blacks will take revenge. Very soon there will be no job for white people and it will not be safe."

For Bertiey Ephron, even Israel seems possible compared with parts of South Africa. A 27-year-old used-car dealer from Johannesburg, Ephron said that he, his wife Stephanie, 34, and their five children, aged one to 14 left because they feared for their safety. They are now staying temporarily at a retirement center near St. Louis. Although Ephron says he has been surprised by the ferocity of Arab and Jewish extremism in Israel, "the violence here is not on the same scale as in South Africa. It's not on your doorstep."

For many white South Africans, the only solution to rising violence and diminishing opportunity is emigration. And for many, the best looking for a new home, Canada rates highly as a stable, prosperous country. "Everybody speaks about Canada being such a peaceful place," said Venter. "This country offers more home opportunities for my children than I could find in South Africa." In the comfort and security of their new homes, most immigrants cannot forget the troubles in their homeland, or the friends they have lost in acts of senseless violence.

DAVID KATZMAN with correspondent reports



EUROPE

Tunnel vision

The completion of an underwater link with Europe prompts characteristic English gloom

The language's tragedy was, quite properly, English. Born at the opening of the Channel to the 25-mile undersea link with France is known in Britain. And nowhere will loss have been so constant as around Dover, on the southern coast of England, from which boats now ferry passengers across the English Channel to the continent. By day and night, people in the area that still calls the Garden of England about the sparkling summer building that scars the town of Folkestone, do not want the new route and high-speed railway line that will cut through the countryside to link the Channel with London, and shudder at the prospect of bringing the European continent closer to them, even if only psychologically.

On one hand, there should be much to celebrate. The 31 billion Channel Tunnel is an engineering marvel. After all, it is 25 miles long, one for service) are based some 400 meters below the sea through a water-proof bed of chalk, on which trains will whisk passengers cars and trucks along at speeds up to 130 kph. The Channel will have the current network ferry service in a 20-minute crossing, and optimistic estimates suggest that by 2006 it will be carrying 14 million passengers a year, or 40 per cent of the cross-Channel traffic. It was the largest European contrac-

tion project of the century, employing 15,000 workers—some of whom died while building it. Using 1,000-tone shield-guided drills, the project engineers succeeded in linking the continent with Britain for the first time since a land bridge disappeared 16,000 years ago. Dreamers have envisaged a fixed link between Britain and France for more than two centuries, with most of the grand schemes originating on the French side of the Channel. In the 18th century, French engineers proposed plans that varied from building a bridge across the turbulent water to two underwater tunnels for stage coach traffic, with air chimneys and kiln lamps along the route. In 1961, digging actually started on a tunnel. But the British government, valuing the project on sober second thought, wisely alerted that a route beneath a path for a long time.

In all there have been 27 attempts to design a tunnel, but not until 1984 did a consortium of 10 British and French construction companies and their bankers convince governments everywhere to proceed. To Britain's first prime minister Margaret Thatcher the Channel was chosen to prove a point: many such engineering dreams could be achieved. Owned and operated by an Anglo-French firm called Channel Tunnel PLC, the Channel has material proved that, when it comes to megaprojects, the private sector, too, can come in late and widely over budget. On May 5, Queen Elizabeth II, with her train of 100,000, en route to Calais, a half-hour later, had champagne glasses with French President François Mitterrand and proclaimed the Channel Tunnel open. In fact, it will not

A high-speed Channel train makes a first run, a 23-mile underwater link

20

MAGNET/MAY 9, 1994 29

4.5 million MagicWagons later, we're still asking ourselves the same question they often ask.

MAGICWAGON

Children are naturally inquisitive. Fortunately, so are the engineers at Chrysler. They're continuously challenging themselves to find new ways to refine our automobiles. Take our Chrysler MagicWagons (Town & Country, Dodge Caravan and Plymouth Voyager). Ever since we invented the world's first



minivans, our design

teams have been preoccupied with reinventing them. This could explain why our MagicWagons have the distinction of

Are we there yet?

being the first minivans with optional all-wheel drive. They're also the first minivans built in Canada and consistently earn one of the highest customer loyalty

ratings in North

America. Considering more than 4.5 million MagicWagons have been sold worldwide, this allegiance comes as no surprise. We do, however,

suspect it has something to do with our obsession for self-improvement. With all-new side-impact protection beams and proven features like optional ABS brakes, the obsession continues in the 1994 Chrysler MagicWagons. To learn more, call us toll-free at 1-800-381-3700. Or visit your nearest Chrysler dealer today for a test drive.

Either way, we'll be able



to answer all your questions. Unless, of course, you're under the age of seven.

CHRYSLER
Reinventing the Automobile



Dodge Caravan/Plymouth Voyager

(A survey of disclosed 1993 earnings as of April 29 including salary increases and stock options)

Are they worth it?

Executive incomes—now public—stir debate about fairness

BY BRENDA DALGLISH

Lawrence Bloomberg hit on a good idea in 1978. After 13 years in the Canadian investment industry, he decided there was a niche for a securities firm that catered to the average managers who ran pension funds and other investment pools. As said runner Bloomberg called his company First Monarch Inc., after the strength and endurance of legendary runners. With early clients, who included Vancouver corporate raider Stan Behring, First Monarch began to flourish for its agility and innovative ideas. In the investment business, timing is everything—and Bloomberg's was impeccable. First Monarch burst from the black just as the pension and mutual-fund industry began a period of explosive growth. As the business took off, Bloomberg even gave up baseball, preferring the more lucrative sport for commissions. In that time, he has been phenomenally successful, collecting a total of \$5.9 million in compensation and bonuses in 1993 alone. Based on information that has been made public, to date, he is now Canada's highest-paid executive—and that's not counting the \$5 million he made in one day from his First Monarch shares.

Although Bloomberg is reluctant to mind Canada's, the size of his paycheck puts him in the same ranks of several other more famous millionaires. The club includes Joe Carter, the Toronto Blue Jays outfielder who collected \$1 million making him the highest-paid right-fielder in baseball; and Bryan Adams, Vancouver's boy-soundtrack rock star, who made an estimated \$55 million from record sales and concert appearances last year. All of this left little room for North America's top-paying executives. It's little wonder that Oprah Winfrey, who collected \$46 million.

By contrast, Prime Minister Jean Chretien's pay for running the country is \$152,000, which is well more than three times the income of the average Canadian family as

calculated by Statistics Canada. That level of disparity may conform to the rules of economic justice, but the question of social justice is another matter. It also raises the issue of whether any person really deserves to collect \$50,000 or even \$100,000 more money than his lowest-paid employee. "The question of the values we as a society as a society," says Lynne Topp, executive director of the National Anti-Corruption Foundation in Ottawa, "is not even comprehended how much \$50 million is. It's not an income—it's a status symbol. People are starting to say, 'What's his person worth?'"

Canadian taxpayers are notoriously sceptical. The group in that bankrupted investors, the very clients Bloomberg targeted when he founded First Monarch, are largely impossible for the fact that Canadians now know how much he and other business leaders make. Professional managers were among the most vociferous advocates of a 1992 Ontario law requiring all companies listed on the Toronto Stock Exchange to disclose how much they pay their top five policy-making executives. "We hope that we'll see more informed voting by shareholders as a result of the disclosure," said Dale Richmond, president of the powerful Ontario Municipal Employees Retirement System. "And that the people who are making the big principles of management will get caught."

That does not necessarily apply to Bloomberg. Institutional investors, who to be surprised—not outraged—by Bloomberg's hefty \$6-million earnings. They say that their interest is with executives whose performance is not of line with

their pay. Bloomberg has delivered an investment of \$300 in First Monarch shares in 1988, the year the firm went public, would now be worth \$100.

Bloomberg, moreover, is not necessarily the country's highest-paid individual. There may be even bigger payouts at some of the publicly listed companies that have not yet reported the pay of their executives. (The law requires companies to file disclosure notices shortly before their annual earnings are held.) In addition, entrepreneurs, executives of private companies and certain specialists in consulting, such as local traders or real estate salesmen in housing markets, may pocket more without having to make their incomes public.

The current wave of disclosures, combined with increased investor pressure on companies to report the pay of their executives, has prompted complaints that some companies are not getting their money's worth. Critics point to executives who receive large numbers of stock options as bonuses as well as bonuses, or those collecting hefty pay-changes—even bonuses—when their companies are actually losing money. Although Nova Corp. of Calgary reported a before-tax profit of \$200 million in 1993, its board granted president Ted Nevill 1.36 million share options in 1993, as top of a salary and bonus that totalled \$8 million. At Canada Pacific Ltd. CEO Wilson Stinson got a salary of \$940,000 plus a bonus of \$448,000, plus other income of \$207,000 and \$4,800 share options. All that despite the fact that CP lost \$90 million last year, bringing its losses for the past three years to almost \$1 billion.

Broadly pay packages also raise doubts about the extent of a company's commitment to such ethical goals as teamwork and shared corporate values. At Midland Valley Inc., a Toronto securities dealer, the pay disclosure angered employees because they learned that more than enough company managers had been talking over the top executives collected greater pay packages of more than \$1 million each last year. Some experts note that the absence of any reasonable connection between the incomes of corporate leaders and their workers damages employee morale and an-



Lawrence Bloomberg
President and CEO,
First Monarch Inc.
\$6.9 MILLION

dermines the notion of shared authority and responsibility for a company's performance.

Some corporate executives say that those who complain about big pay packages are merely critics, not shareholders, that others consider that there are serious social policy issues at stake. They point out that high-income corporate executives have a disproportionate influence over the country's political and social policies. And as the incomes of a top elite soar far beyond the range of average Canadians, these with power will grow as decisively out of touch with the problems of the majority of their fellow citizens. Criticisms like that, these critics conclude, can eventually lead to social unrest and turmoil. For her part, Topp says that she was struck by the great gap in understanding between the poor and the high-income upper echelons of executives during a NATO meeting with the board of directors of a major financial institution last year. "We were talking about the problems of poor single-parent families," recalled Topp, "and this woman said, 'Well, I don't understand the problem. Would it just be how it does put the children up for adoption?'"

For the most part, corporate executives say their incomes are justified by the economic level of supply and demand. They point to the astronomical incomes of top athletes and entertainment stars to cite evidence that the free market economy allo-

1	Stephen E. Rachard President and CEO, Connaught The Corp. Ltd.	\$3.2 million
2	Robert H. Schultz Chairman and CEO, Midland Valley Inc.	\$2.9 million
3	W. Edwin Weir Chairman and President, Greyhound Lines Ltd.	\$2.1 million
4	Peter Hark Chairman and President, Bank of America, Canada Business Corp.	\$1.9 million
5	Edgar Bronkman Sr. Chairman and CEO, The Sun Group Co. Ltd.	\$1.8 million
6	Matthew Barrett Chairman and CEO, Bank of Montreal	\$1.6 million
7	Pamela Cawthra Chairman and CEO, Borealis Ltd.	\$1.7 million
8	Edgar Bronkman Jr. President and CEO, The Sun Group Co. Ltd.	\$1.6 million
9	Paul Desmarais Chairman and CEO, Power Corp.	\$1.6 million
10	William Stinson Chairman and CEO, Canadian Pacific Ltd.	\$1.6 million
11	A. Noel Chairman and CEO, Canadian Imperial Bank of Commerce	\$1.5 million
12	Edward F. McNamee Assistant vice-president, The Sun Group Co. Ltd.	\$1.5 million
13	David Eckstein President and CEO, Horwath Inc.	\$1.4 million
14	W. Michael Brown President, Star Television Corp.	\$1.4 million
15	Richard A. Davis President, Loblaws Companies Ltd.	\$1.4 million
16	Alan Taylor Chairman and CEO, Royal Bank of Canada	\$1.3 million
17	William E. Kavanagh Senior vice-president, The Sun Group Co. Ltd.	\$1.3 million
18	Robert Graham President and CEO, Power Financial Corp.	\$1.3 million
19	Thomas A. Boudreau Chairman, president and CEO, First Polystyrene Inc.	\$1.3 million
20	James Stankovic Director, president and CEO, Prime Canada	\$1.3 million
21	Charles Bronkman Chairman and CEO, The Sun Group Co. Ltd.	\$1.3 million
22	Anthony Conway President and CEO, Bank of Montreal	\$1.3 million
23	Gordon R. Sullivan President and CEO, Maple Leaf Foods Inc.	\$1.3 million
24	V. Peter Webb Chairman and CEO, Pacific International Holdings Ltd.	\$1 million

cates value rationally (if unfairly). It is rational, they say, because they, like the athletes and entertainers, are paid according to the revenue their talents generate. Even though running a consistently profitable corporation takes an extraordinary combination of knowledge and business skills that are rare, demanding that the ability to pencil a baseball out of a ball park, they are paid less than the best baseball players because their efforts are judged to generate less income. "We tell corporate boards that they shouldn't try to get a deal on a chief executive," said Ken Hagensen, whose firm, Williams M. Mercer Ltd., is hired by companies to advise boards of directors on compensation issues. "You can begin-ship for a secretary or a middle manager, but not for a CEO." Hagensen states that the difference between the best person for the top job and the next best can mean hundreds of millions of dollars a year to a corporation. As a result, he says corporations will often pay more than is necessary rather than run the risk of losing a chief executive who is doing a good job. "The extra they pay a top executive," he said, "is usually not much more than a rounding error in the profits of a company."

Instead of dwelling on total pay, Hagensen says that corporate boards, which are responsible for setting executive-compensation levels, as well as shareholders, should focus on the performance of the chief executive. "If you'd get a good job, you pay him well," said Hagensen. "If he isn't performing, fire him." Overall, Hagensen says that Canadian companies have not paid their senior executives as much as U.S. corporations—but they have been more willing to tolerate mediocre performance. "When it's global," he said, "Canada can't afford suddenly corporate leaders."

Indeed, compared with the rich pay packages common in the United States, most Canadian executives could argue that they are overpaid. Because of Canada's smaller market size, however, its \$9.6 million last year. One of his American counterparts, Alex (Ace) Greenberg at the New York investment firm Bear Stearns & Co., picked up \$80 million in 1993. Only Canada's compensation record-setter, Peter Munk, chairman and chairman of Hollinger Corp., and its national gold-mining company American Barrick Resources Corp., made with the top U.S. executives—he collected \$23.6 million in 1993, exactly from exercising stock options that he had been given in the early years of the company's existence when he was not drawing a salary.

The U.S. record belongs to Michael Eisner, who bagged \$89 million last year as chairman of Walt Disney Co. Eisner's salary was \$965,000. But he received his stock options—buying the shares for which he had been awarded options during the past 10 years and then selling them immediately at the higher market price, for a profit—on the 54 million shares of Disney stock he had accumulated during his 15 years at the helm of the company. A \$900 investment in Disney



Clockwise from above, former basketball star Michael Jordan at play; Bank of Montreal chairman Bennett; Canadian rocker Adams



when Eisner started there in 1984 would now be worth \$1,400.

Is money the best, or even the only, incentive that motivates top executives to improve a company's performance? "That's a balance," says Stephen Jaroslawsky, a veteran Montreal investment manager who charges one the five rights at shareholders (page 33). "The ones who are good are not only money-driven. They have a greater sense of responsibility to the corporation. And they do what they do partly because they enjoy it."

Jaroslawsky notes that the Bank of Nova Scotia, which was Canada's best-performing chartered bank, also pays the lowest salaries. Still, Jaroslawsky, who is a director of several public companies, says that he is often asked about other board members—usually CEOs of other companies—who he attempts to restrain corporate pay packages. "They make sure the chief executive gets totally protected from the wrath to the board," said Jaroslawsky. "They get big salaries, big

perquisites, share-own incentives, long-term incentives, bonuses based on making budget! Despite rather than profits and even golden parachutes in case they lose their jobs and can't land another one. It's obscene."

Investment managers say that inflation-adjusted at the first step in rebalancing pay balances and equities in the system. The Pension Investment Association of Canada (PIAC), which represents 165 pension funds with a combined \$20 billion in savings, is one that the structure of an executive pay plan is more important than the size of the package.

Investment managers say that the most telling thing is the pay plan disclosed to date on the huge disparity between top executives and other senior managers. The Bank of Montreal paid its chairman, Matthew Barnett, \$1.6 million in 1993, while just two levels below, Jeffrey Chisholm, vice-chairman of corporate and institutional financial services, received about a third of that, \$554,000. At mining company Canadian Ltd., president Robert Holburn collected \$700,000, while executives one step below him in the corporate ladder earned about \$200,000 each.

That hierarchical pay structure is a hallmark from the days when a chief executive was considered an unapproachable figure who was almost single-handedly responsible for an organization's success or failure.



ering reward (increase salary) is the practice of granting generous stock options. Bill Rock, president of Palmer Securities Corp., a Toronto investment dealer that caters to institutional investors by specializing in shareholder rights issues, says that it appears stock options are also a bigger problem than salary levels. "We find that option plans are getting more and more generous in executives and directors, and less and less accurate to shareholders." One of the most controversial examples was Northern Telecom Ltd.'s failed attempt in 1992 to introduce an option plan that would have made 25 million shares, worth an estimated \$1.25 billion, available for distribution equally to senior managers as part of a long-term incentive plan. Said Mauser: "That kind of benefit comes directly out of shareholders' pockets."

Ultimately, much of the responsibility for corporate salaries rests with the company's board of directors—the body that is theory is supposed to safeguard the interests of public shareholders and keep a close watch on senior management. In many cases, however, those rules become reversed; the board is, in effect, selected by the chief executive or other top shareholders because it is management that presents the list of director nominees to shareholders for their approval. And that approval is almost never withheld. In many cases, the directors are not significant shareholders, and are themselves CEOs of other companies. When they approve compensation packages, at two levels they do so with an inherent conflict of interest. It is that lack of transparency that led to account John Kenneth Galbraith to describe executive compensation as "a warm garment of gratitude that an individual pays to himself."

Ultimately, the solution may lie in giving shareholders more power—perhaps, as Jaroslawsky says, by appointing some of them as directors. Jaroslawsky himself lists a new added compensation structure: a cash salary, and, if warranted, a bonus in the form of company shares that could not be sold until the executive leaves the company.

Applying Jaroslawsky's test to First Marchant, Lawrence Bloomberg appears to pass easily. Like the other senior executives at the firm, he took his salary and was awarded no bonus or stock options. He \$8.5 million comes entirely from commissions on his transactions and from his role as the company's profits. He also pocketed \$2 million because of a special dividend paid to the firm's shareholders after the sale of one of its divisions. Jaroslawsky would be gratified to note that even First Marchant's board is largely composed of shareholders, though in this case they are as company insiders—reflecting the fact that many First Marchant employees are also its largest shareholders—instead of outside independent shareholders. Indeed, First Marchant seems to confirm the wisdom of the principle that investment managers are expounding: linking a company's pay structure to its performance can be rewarding for shareholders and lucrative for executives. Clearly Bloomberg has made his big leagues. □



CORPORATE AMERICA'S TOP DOGS

THE 5 BEST-PAID MANAGERS IN 1993:

1 Michael D. Eisner Walt Disney Co.	\$260 million
2 Sanford J. Wells Travelers Corp.	\$87 million
3 Alex C. Greenberg Bear Stearns & Co. Inc.	\$79 million
4 Roberto C. Goizueta Coca-Cola Co.	\$73 million
5 C. Robert Kildner Lear Corp.	\$18 million

THAT'S ENTERTAINMENT

1 David Winkley TV host, film producer	\$66 million
2 Steven Spielberg Director, producer	\$53 million
3 Kevin Costner Actor, director	\$34 million
4 Sam W. Jones Rock group	\$34 million
5 Bill Cosby Actor, comedian, author	\$33 million

SPORTING FUN

1 Michael Jordan Basketball	\$45 million
2 Riddick Bowe Boxing	\$32 million
3 Peyton Serna Auto racing	\$23 million
4 Mike Priel Auto racing	\$22 million
5 George Foreman Boxing	\$20 million

(Includes income from all sources, including salaries, bonuses, royalties and endorsements)

(IN MILLIONS OF DOLLARS)

According to Jon Mauser, head of PWC's corporate-governance committee, it also reflects a belief that the best way to motivate senior managers was to get them against each other. "They treated them like caged animals," he said. "They'd throw in a bag full of meat and whenever one cat with the weakest clench was the winner and got all the spots." In retrospect, Mauser says, "It doesn't make a heck of a lot of sense" to set up a system that so encourages executives to compete with their co-workers, rather than against other companies. Another aspect of executive pay that is

CANADA'S COUNT

WEEKLY HOURLY SALARY

Chief justice, Supreme Court of Canada	\$300,000
Prime Minister of Canada	\$157,000
Physician	\$124,500
Provincial court judge	\$110,000
Doctor	\$39,750
Laywer	\$31,200
Accountant	\$26,000
Automobile	\$22,700
Civil servant	\$16,800
Federal civil service manager	\$12,500
Nurse	\$10,000
Truck driver	\$7,500
Car salesperson	\$7,200
Bookkeeper	\$7,100
Librarian	\$7,000
Sales representative	\$6,800
Barber	\$6,400
Gas station attendant	\$5,400

*Actual salary

SOURCE: STATISTICS CANADA, BUREAU OF STATISTICS

KISS AND RUN

(COLLECTING SALARIES, RETIREMENT PACKAGES PAID OUT IN 1993)

1 Paul Stone CEO, Northern Telecom Ltd.	\$6.1 million
2 Sanford Macgregor Chairman, CIBC Inc.	\$2.9 million
3 Gordon Bishop CEO, The Bank of Nova Scotia	\$2.6 million
4 David A. Nickel Loblaw Companies Ltd.	\$2.3 million
5 Raymond Chu Chairman of Air Canada, BCE Inc.	\$2 million

*Includes share option expensing



Rewarding risk

Those executives
who create value
deserve their pay

BY IAN DELANEY

Ian Delaney is chairman and chief executive officer of Sherrill Inc., an Edmonton-based copper, molybdenum and antimony producer with assets of \$1.3 billion. Last year, Delaney earned about \$280,000 in salary and benefits and received 130,000 stock options. He also holds unexercised Sherrill options worth \$2.3 million. His net worth is over \$10 million.

IN RECENT TIMES, much headline space has been devoted to executive compensation. Clearly, there have been some excesses in what we have seen where there are no mismatches between the rewards given to those primarily responsible for corporate direction and the financial well-being of companies.

There is great food for much debate at work. And it may even have merit as an unrealistic consideration. The most prominently discussed examples of excessive compensation seem to fall into one of two cases. In the first case, executive compensation differs drastically from corporate performance. In the second case, executive compensation seems high when measured against any standard, regardless of how well the corporation is doing.

There are many justifications for the first case

because compensation should absolutely reflect corporate performance. The second case is more troubling because of the difficulty in properly determining the appropriate returns or rewards for success. When we read of Michael Jensen at Disney receiving compensation valued at \$692 million, one wonders if the company couldn't have achieved the same result for \$500 million or even \$300 million.

Certainly more disclosure is better than less. We are discussing public companies, not private ones. When private owners of a business choose to seek investment funds from the public, they enter into a covenant of trust. One of the costs of "going public" is that outsiders have the right to examine all aspects of the business, of which one of the most important is who is going to lead the venture and what they get out of it.

The issue is complicated by the relative size of the company in question. It is unlikely that the same guidelines or policies could apply with equal effect, for example, to our large banks and its emerging insurance company. The chief executive of a new small company has more influence on the economic outcome of the venture than does Matthew Barrett, chairman of the Bank of Montreal. The bank's performance in recent years has been very good, and it is entirely appropriate that Barrett's compensation reflect that performance.

That compensation, however, should have less leverage in it than many much smaller companies. Matthew Barrett didn't create the bank. The bank has been in existence for over 135 years and will undoubtedly survive his passing. The bank's welfare is largely unaffected by the economic conditions of the country. He is much more of an individual than a corporate

entity. But he is very good at his job and should be compensated as such. One of the best ways to link executive performance to shareholder wealth is to try to ensure that executive compensation is taken in the same form as shareholder returns.

This can be accomplished by granting options on shares, loans to executives to buy shares or other mechanisms that link executive pay to share ownership. But probably the best way to ensure that things remain in perspective is to ensure that the board of directors is composed in such a way that the board itself is sensitive to all classes of shareholder and can act independently. The balancing trick, of course, is that corporate goals and strategy are often the result of the involvement of a very few people. Leadership is often seen to be the single most important determinant of corporate progress and it is a scarce commodity subject to time and place and opportunity.

And that brings me to Lawrence Bloomberg. Lawrence recently set a new high-water mark as executive compensation and has suffered in some circles as a result. His 1993 compensation of \$6.9 million seems to have headed many observers. One of Canada's less restraining qualities is our ability to drink our own. We have developed the political of every to the highest degree. Consider Lawrence comes from a modest background. He entered the investment business as a young man, working for a large investment dealer. He did well. About 13 years ago, he put together a small group of partners and established his own small business. In the intervening period, he has built that small firm into one of the largest independent investment dealers in the country. It has not been done without years of dedication, years of determination, years of aggression and years of compromise.

The logic of Lawrence's leadership are evident all over the firm. The returns to shareholders have been magnificent. He has taken the company into new market areas and pursued new products and services. He has assembled all of the talent and experience to support it. One of the benefits of his decision, are we no longer prepared to let people sue?

From both a public policy and public approbation point of view, Lawrence would appear to have done it all. He was a government sponsored, early battery maker of spending the past 15 years building a business from scratch, employing hundreds of people, raising millions of dollars of investment capital for other companies and paying salaries in income tax. It is an awe that there are plenty of targets for pay critics and other critics in corporate Canada. But I think that Lawrence's compensation should be held up as anything other than an excellent model for other chief executives. □

Called to account

BY STEPHEN JABLONSKY

Stephen Jablonsky is chairman and chief executive officer of one of Canada's largest independent managers of pension funds assets, Jersey City, New Jersey. He is Co-Ed of Montreal. The company had \$1.6 billion under management in 1993. His net worth is over \$10 million.

Shareholders take risks, but it more and more appears that CEOs do not. And if executive compensation and compensation to the CEO Corporate documents now clearly show that have salaries do not decline in tough years when lower earnings, but shareholders. Many companies with huge losses still manage to pay hefty bonuses to the CEO.

Person plans are increasingly being locked in, and besides, there are new stock options that allow CEOs to give more on well over \$1 million or \$2 million of market value. Moreover, when shares are purchased with company loans, these frequently require either no or very little interest. And if the shares are depressed as is the case with the Toronto-based ICI Group, shareholders should deride the board as the executive loans are forgiven.

What risk does the CEO take? If the company is taken over, he normally has a "golden parachute" or a long-term contract, or both. He is left, he gets a hand some "golden handshake." Many times that not, his total pay package is out of line with that of the next four officers in the hierarchy so much for a time being! How would you like to work like a dog and have your boss paid three times what you get? That what disturbs me most is that CEOs use shareholders' money to pay this, while they are successful period. But shareholders?

When a CEO wants more money, he hires a consultant who claims that to attract a good CEO you must be "competitive." Thus, a company that does not earn the 15% or 20% or even 30% return on its money can end up paying a CEO as much as a firm that returns 10 times more and has a net after-tax return 30 times higher. When things go badly, members are increased on the theory that to be otherwise would hurt morale, and people have to work harder a poor return. CEO compensation is highly complex, mainly because of the consultants who get paid high fees to report what the CEO wants to hear.

Investors must
demand more
bang for the buck
from CEOs

Most board members do little to discourage this trend. Full disclosure of salaries, Kohnstien, encourages CEOs to ask for a catch-up where they feel that they are underpaid relative to their peers. Rarely does anyone object to being outperformed. Very few board mem-

bers do the jobs the CEO. If the CEO needs a premium of eight per cent, the board should be asked: I would like to see this bonus, net of tax, be applied to share purchases at market value. And I would like these shares to be made available for at least three years.

A CEO should also get only an initial stock option on becoming CEO, an option he can use by exercise five years later. After the initial option, the CEO in shares purchased with loans because the executives' status increases. That way, if a CEO lives on the bonus, he or she will also be on the bonus in the company. This base salary should rise with inflation and with de-increased level of risk being long-term results.

What is needed is to have more directors



Jablonsky: CEOs must share the same risks and rewards as investors

in my experience, argue for the shareholder, especially as those who are CEOs elsewhere are here to remain on the board. The number of directors who are truly trying to implement the shareholders' part of the pie are few and far between and, as in my case, are frequently outvoted.

How do I feel CEOs should be compensated? I believe well, but only when the company earns a good return for the shareholders. Thus, I am not in favor of an executive being paid so much as he is to see excessive dividends. Once a fair return is seen, the return of a 30-per-cent government bond plus low per cent risk, as earned by the entire company, a bonus

who either represent large shareholders and/or are required to have large shareholder stakes themselves—and people who are in any major business. I have made it a point to own large amounts of shares of almost every company on whose board I sit. And, I believe that CEO compensation should be tied to that of the other top executives in the company—not just the shareholders but the crowd.

It is time that shareholders and their representatives address the North American problem of excessive arrogation of their assets by CEOs and slash boards of directors. It is time that CEOs take the risks of the shareholders rather than remain insulated from them. And companies need to be run entrepreneurially, it is time that shareholders and CEOs share that experience and set that example. □

Tolerating zero

Freezes and rollbacks hit the salaries of Canadian workers

Errors and omissions have led to a union that may have set a trend for tens of thousands of other Canadian wage-expectations—but as far as the Stevens are concerned, it's a bad one. The couple were two of the 7,000 members of the United Food and Commercial Workers Union employed at Miracle Food Mart supermarkets in Ontario who returned to work in February after a bitter three-month strike. Their union then had battle a \$1.25-an-hour wage cut. Demick, 33, earns \$16.67 an hour or just over \$30,000 a year, as a night forklift at a Miracle store in Toronto. Doolen, 31, earns \$21.71 as a seasonal co-ordinator at another Miracle supermarket—was long one of those pieces of knee on the shelf match those in the store's computer system. Demick does not notice when describing the contract. "I think it worked," he said. But the couple bought a house two years ago and are expecting their first child in October. And while the Stevens and many other Miracle employees were up about the agreement, 75 per cent of the members voted in favour of returning to work. "I didn't think people couldn't stand to stay out," Demick Stevens said. "We know times are tough," he added. "The company took advantage of that."

The "Stevens" situation is becoming more common every day. Although Statistics Canada officially declared the recession over in January 1993 and unemployment is on the rise, two Canadians have seen much evidence of a recovery yet in their paycheques. On the contrary, according to the federal Ministry of Human Resources, the average annual wage increases in union contract settlements have declined from 3.1 per cent in 1991, to 0.7 per cent last year, to 0.6 per cent in February—the lowest since Ontario began collecting such data in 1976. The February figure was followed by a 3.4-per-cent average yearly increase in public sector settlements. In private sector contracts, the average was a 3.4-per-cent wage reduction. And most experts forecast that the average in 1993 will be negative.

In a survey of 435 large employers consulting firm William Mercer Ltd. forecast



Bakin in her Nova Scotia shop cutting back on bills

that wage increases would average 2.6 per cent this year. The second indicator rate, not allowing tax increases or expense price reductions, is still about 1.5 per cent. Mercer consultant Neil Hunter said that, "If you're getting less than a 3-per-cent increase, you're taking behind."

So far, one of the strongest forces hold

ing down incomes across the country is the spread of wage freezes in the public sector. While they acknowledge that governments are strapped for cash, many cost-averse feel that they have been misled on salary. In Saskatoon, the city's chief librarian, Sandra Jackson, reported her budget, including the salaries of the library system's 300 employees, has been frozen for the past three years. She said that that is particularly frustrating for library staff because they are all working harder to handle a 10-per-cent increase in leading activity since the beginning of the recession.

But the fallout from the wage freeze and rollbacks by both governments and large private employers is spreading. Like many other Canadians who work in retail and service jobs, Margorie Babin, a 39-year-old hair salon in Lower Sackville, N.S., says that her customers have less to spend than they used to, and that, in turn, has put a dent in her business earnings. Babin works in the 7th Company hair salon in a shopping mall in Lower Sackville, 300 km south of Halifax. Her husband, Ray, is an auto mechanic, and the couple have three children. Although Babin declines to disclose the couple's combined income, she says that it has declined a little in recent years, and she explains why. Her salon charges \$25.50 for women's haircuts, and \$17.75 for men's, the same as it has for the past two years. Even before that, Babin says that her customers began cutting back on the 1980s, such as perms and color highlighting. Her husband has suffered through a similar slowdown in his business. "Mechanics, or folks have increased, our taxes have increased," Babin said. Despite her declining purchasing power at the store, Babin says that most of her customers who are working are happy just to have a job—and to be able to "hang on down here as they can."

Despite the downward purchasing power at the store, Babin says that most of her customers who are working are happy just to have a job—and to be able to "hang on down here as they can."

JUDY DAILY

Business NOTES

POOR RECEPTION

A court battle erupted over control of Vancouver-based broadcast company, via Western International Communications Ltd. The dispute pits the Allard family of Edmonton, which controls Cathco Holdings Ltd., against the Goffin family, which controls Inc. Cathco filed a petition in the Supreme Court of British Columbia, alleging that its subsidiary, Cathco, had been improperly acquired by WIC's bylaws to prevent all competing stock into voting shares, and that its \$110-million bid was unfairly blocked.

NEW LISTING

The Bank of Montreal will be the first major Canadian bank to have its shares listed on the New York Stock Exchange. It plans to apply for a listing this summer and the stock could be trading in New York by September. The Bank of Montreal hopes to earn 50 per cent of its profits in the United States, where it already has a presence through its subsidiary Harris Bankcorp Inc. of Chicago, by the turn of the century.

A FOREIGN AFFAIR

Foreign investors boosted their holdings of Canadian securities to \$2.46 billion in February, according to Statistics Canada. In January, net purchases by foreigners totaled \$2.75 billion. For the year, Canadians were net buyers of \$1.46 billion of foreign securities in February.

ATTENTION ALL SHOPPERS

Conflics Finance Inc. is seeking investors interested in buying a stake in the struggling retail outfit. The Toronto-based company has hired investment bank ScotMcLeod Inc. to "locate strategic investors" and to prepare a share offering that may help to restructure about \$5.3 billion of the company's \$6-billion debt. Conflics Finance owns all or part of such landmarks as Vancouver's Pacific Centre, Winnipeg's Portage Place, and Toronto's Eaton Centre. The company retired its lenders in February that it was in default on a \$1.1-billion loan because of the declining value of its assets.

A CRUDE CRUNCH

Imperial Oil Ltd. embarked on a cost-cutting drive that could result in the layoff of as many as 600 of the 2,400 employees in its Calgary-based resource division. The division lost \$1 million in the first quarter of 1993 compared with \$660 million, and it reportedly announced a \$90-million cut in its 1994 capital spending budget.



Nona Stevens Premier John Savage leaving the legislature with guards; mob

Budget day blues

A angry construction workers surrounded the Nova Scotia legislature in Halifax, protesting the release of the province's latest budget. The annual workers' protest was a result of a recent provincial election to 1996 agencies designed to help first time home buyers. The health department's \$1.1-billion budget, however, was slashed by \$60 million. The government has already announced a health-care reform program that will close hospitals and cut patient services.

Now, in part by giving a tax break to \$10,000 Nova Scotia families less than \$50,000 a year. He has also increased a two-per-cent transfer on income tax more than \$100,000 and extended to 1996 agencies designed to help first time home buyers. The health department's \$1.1-billion budget, however, was slashed by \$60 million. The government has already announced a health-care reform program that will close hospitals and cut patient services.

Confederation life line

Canada's first federal life insurance company, Confederation Life, has concluded a deal to improve its financial condition through an alliance with Great-West Life Assurance Co. of Winnipeg. Confederation Life has been under financial pressure recently because of losses in its commercial real estate investments.

Under the proposed deal, Great-West will buy at least \$150 million worth of preferred shares in Confederation Life. Confederation, which has \$142 billion in general assets, and \$14.2 billion under investment management, plans to sell its North American group life and health insurance businesses. Great-West, which has more than \$20 billion of assets under administration, has the option of purchasing them. The proposed alliance is subject to approval from policyholders and regulators.

Matthews of Trinity College in Toronto, women had key role in the life of Jesus



Keeper of the faith

A female bishop tackles a church in transition

Jesus... was involved in spirit, and careful, and sad, and, finally, I say unto you, that one of you shall betray me.

—John 13:21

Stained glass illuminated the Gothic chapel at the University of Toronto's Trinity College, and the interior of concrete filled the air. It was Holy Week and about three dozen divinity students had gathered for an afternoon of prayer and meditation led by Victoria Matthews, 40, who in February became Canada's first female Anglican bishop, and only the fifth in the world. In her opening remarks to the students, almost half of whom were men, Matthews discussed the challenges they will face as priests at a time when anglican religion is in decline. And she spoke, simply but powerfully, of betrayal. In the gospels, she noted, Jesus is betrayed by Judas, a trusted and beloved follower. In contemporary Christian churches, however, leaders have occasionally betrayed their followers through unethical, unethical and sometimes criminal conduct. In the words of Jesus,

many people in the church today," she said, "Judas is more likely to be a priest than anyone else. That is the reality we live with."

And the peace and tranquillity of a monastery chapel, such problems seemed widely remote. But as the highest-ranking female cleric in the Anglican Church of Canada, Bishop Matthews is now painfully aware of the challenges of leading a Christian institution into the new century. The Canadian Anglican Church has about 300,000 members, down from 1.1 million in the early 1970s. The decline in membership has led to leading shortfalls, a few church closures and cutbacks in several church-sponsored charitable programs. As well, there have been sex scandals involving church officials and controversy over the 1993 dismissal of a Toronto-area minister who admitted that he is a practicing homosexual. "The church has gone through very difficult times in recent years," Bishop Matthews said in an interview. "The people who bear the brunt of that are the leaders. Being a bishop at this particular time in history is not easy."

While Canadian Anglicanism is beset by a number of prepping

problems, the 405-year-old Church of England, the parent organization, is facing a full-fledged revolt within its ranks over the ordination of women. Last month, following years of debate—and almost two decades after the Canadian church began admitting female priests—the British church ordained 22 women. Close to 600 male priests requested consecration to the Women's College Church. And then could be more departures. A group called Forward to Faith claims to represent 4,000 priests opposed to female ordination, though not all will leave the church. The issue has generated anger bordering on hysteria. "I can't see how a woman can represent Jesus, who was male," said the Rev. Anthony Kennedy, a vicar from central England. "I would burn the bloody bibles!"

Canadian Anglicans, by comparison, have accepted female clergy since 1965 with barely a ripple of protest. Slightly more than 30 per cent of its 3,373 priests are now women. Matthews, who was ordained in 1979, said that she has followed a vocational path typical of many female clergies. She first served as an assistant curate at a suburban Toronto parish, then in 1983 became rector of a rural parish with two churches in Georgian, a town north of Toronto. Four years later, she was given responsibility for a metropolitan Toronto parish. Last summer, following the retirement of two of the five area bishops who served under the Bishop of Toronto, Toronto Patriarch, her ministry took an unexpected turn.

In the Anglican Church, bishops are elected by the clergy and laity who make up the synod—the governing body of each diocese. Matthews was one of 10 priests nominated, but she was initially reluctant to stand in last November's election. "I felt called to be a priest," she said. "Divining the leader was the hardest thing from my mind, and it's contrary to the whole notion of vocation. A retired priest, a friend of mine, put it very clearly. He said, 'Bless of the Holy Spirit you'll be cleared and it's not you that have anything to worry about. But you can't interfere with the process. You just have to be obedient to it.'"

The chapel at Bishop Strachan School, a private Anglican-founded institute for girls in the posh Toronto neighborhood of Forest Hill, is a smaller, more modest version of Trinity's dog-eared Gothic chapel. It is long and narrow, with high vaulted ceilings and some 16th-century Staring to Grade 7 students begin each school day with a chapel service that usually involves singing hymns and reciting prayers and psalms. Matthews, the youngest of the four children of a lay father and a housewife, attended the school from kindergarten through Grade 12, and it was there she discovered Christianity.

She was most deeply influenced by the school chapel's late Canon Ken Bagley, who led daily services and taught history and religious studies. "He challenged us to take seriously what it meant to be a woman who was called to follow Christ," she recalled. "We said there's no reason why women can't be priests, even though it was years ago. He was an extremely gifted man, who loved literature, history and the whole intellectual enterprise, and he was a deeply committed Christian." When she was ready to enter university in the early 1970s, Matthews says, she attended a private school and several other agencies, but felt compelled to study theology.

At the time, Canadian Anglican bishops were debating lesbian ordination. According to some church historians they were much more receptive than their counterparts in Britain because women had played significant roles in developing the church in this country. Rev. Nancy Barrett-Cowan, ministerial officer at the church's national office in Toronto, says that during the first half of the century women

known as 'bishops' missionaries set up parishes, built churches, tended the sick and performed many other priestly functions in isolated, rural Prairie communities. Priests visited (probably to administer the sacraments), she says, but the church did not have enough ordained ministers to fill parishes in remote areas. "Some of the bishops who participated in the debates had been shaped by these women," said Barrett-Cowan.

Within the Toronto diocese, Bishop Matthews is regarded as a pragmatist on women's issues. "She has been criticized for sitting on the fence," said Rev. Robert Ross, a lecturer in pastoral theology at Trinity College. "But that may be why she was seen as a good coach during the synod. The role of a bishop is to listen to various sides." Matthews believes that the public debate over the role of women in the church much like occurring in the middle has been more important. She says that contemporary women are mostly regarding the authority and influence that their predecessors held in the earliest days of the Christian church. "Time and time again in the middle, you'll encounter a woman who rises at the table of Jesus," she said. "Yet we have all these stories about women finally being recognized and achieving a voice. I don't think we're breaking new ground."

In any event, the most pressing issue facing the Christian churches is the very survival of the faith in a secular, and increasingly multicultural, society. Matthews says that she senses a spiritual hunger among Canadians, but many are turning to Eastern religions or New Age movements rather than Christianity. "It has become more and more difficult to be a Christian, let alone a Christian leader," she said. "The challenge is to have a voice that others people will share. The vision has to be that following Christ can transform lives, and give meaning where there's been emptiness."

Those are, as well, a host of earthly questions that can make life miserable for a contemporary bishop. Barnett-Cowan says that bishops have been used for wounded demand by former priests, and have become unmoored in legal disputes with ministers over church closures. Rev. Ann Tebbel, headmistress at Bishop Strachan and a candidate in the November election, says that bishops must frequently search for common ground between conservative churchgoers and progressives and preservers of the church's role in society. "Sometimes you can't please anybody," said Tebbel. "I often think I didn't lose the election; it was delivered. It's a very difficult job being a bishop; very difficult."

Seven months after her election, Matthews admits that she is still adjusting to the pace and demands of the job. She is responsible for 43 parishes located in the Toronto area communities of Etobicoke, Mississauga, Brampton and Caledon, and has more than 50 priests working under her. She lives alone with her dog, Zena, in a modest, two-story, executive-style house in an affluent neighborhood of Mississauga. Matthews also enjoys a life as a wife and mother, and trying to find time to read. "I'm a very busy person," she says, "yet you're called to a lifestyle that is more than a job, it's a vocation. You work very, very long hours. You can never stop. The ideal time off will be totally unobtainable." And like as a bishop, she is finding, is every bit as demanding.

'The challenge is to have a vision that other people will share—that following Christ can transform lives.'

Home on the range

A city dweller adapts to life on a ranch

THE PERFECTION OF THE MORNING

By Sharon Butala
(Chicago: Collins, 281 pages, \$22.95)

Of all the vast prairie, a woman is writing about it. Not a tree or building, but a woman who is writing about it, a woman who is writing about it, a woman who is writing about it.

Of all the vast prairie, a woman is writing about it. Not a tree or building, but a woman who is writing about it, a woman who is writing about it, a woman who is writing about it. Sharon Butala, a woman is writing about it, a woman who is writing about it, a woman who is writing about it.

land on his ranch and discovering that the hard life of the open range brought back memories of her early childhood as a Saskatchewan farm.

But her adaptation was not easy. When the newly weds all Butala began to live in the house and the old Butala began to live in the house.



Butala's perspective, moving northward as the journey of nature.

She began to read voraciously in psychology and religion. And on long solitary walks she began to explore the shortgrass prairie, much of which had never been broken by a plow. Once Butala came across her husband, powerfully draped in the ground below his grazing cattle. "The image, almost biblical in its powerful simplicity, made her eyes to be long to the land as probably as he did.

In her thinking and observing, Butala came to realize that nature is not simply an object for scientific study, or a created backdrop to human activity. It is a province capable of changing over time the very personalities of those who call upon themselves to it. Butala found that openness in the reaction of her own body (she would sometimes experience sensations so strong feelings in her chest or groin) and in her dreams. She began to dream of animals, a large wolf that wanted to enter the house against her when a white coyote that confronted her with a wounded paw. Another dream of a child in a beautiful landscape seemed to embody "a feeling of the perfect peace and benevolence of the universe."

In many ways, *The Perfection of the Morning* is about Butala's response to her dramatic life through to discover there hidden excitement and sense there into the fabric of her life. In the process, she discovered that her dreams were also part of nature—part of a realm, complex province that included the prairie as well as her very inner life. As Butala points out, this is very close to what nature people have believed for centuries: the dream world has a crucial relationship to the dream of the prairie. But she and they are not in a dream of the prairie with each other. But she and they are not in a dream of the prairie with each other.

The *Perfection of the Morning* is a highly illustrated book, as much concerned with Butala's inner experience as with the beauty of the prairie. The serenity of human relation, which is a theme of the book, is expressed with a clarity that is a theme of the book. The serenity of human relation, which is a theme of the book, is expressed with a clarity that is a theme of the book.

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JUDITH KREIBER

THANKS TEAM!

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BOOKS

A literary odyssey

TRAVELS BY NIGHT: A MEMOIR
OF THE SIXTIES
By Douglas Feisterling
(Lester, 250 pages, \$22.95)

By his own admission, Douglas Feisterling grew up in hell. That was in Winnipeg, W.Va., where an alcoholic father showered him with constant verbal abuse. It was the sort of upbringing that frequently turns children into criminals or mental cases. And so he returns in his first-
hand memoir of his youth, *Travels by Night*, Feisterling somehow beat the odds and became a writer—in Canada. The poet and self-taught scholar, now 43, is the editor or editor of 46 books, including his much-praised 1983 study *The Rise of the Canadian Novels*. However, *Travels by Night*, with its gross and caustic charm—not to mention historical value—may well be the best of them all.

One of the most fascinating aspects of *Travels by Night* is the way the teenage Feisterling escaped his family (although he continued to suffer from a violent and recer-



Feisterling: 1960s artistic ferment

rest depression). Inspired by the talk of friends and a visit to Toronto in the mid-1960s, he began to imagine Canada as a possible haven. Canada's "shocking tradition of

anti-Americanism," Feisterling writes, "was one I found especially attractive." Indeed, throughout *Travels by Night*, Feisterling recalls how he made a virtual philosophy out of anti-Americanism, sometimes with a fervor that was clearly irrational. It was as if he had transferred his childhood longing for his father to his mother's country.

In 1967, Feisterling, then 18, moved to Toronto, where he quickly became involved in the artistic and publishing ferment of that notorious era. He was the first full-time employee for \$35 a week of the *House of Anansi* publishers, which helped bring such new writers as Margaret Atwood and Dennis Lee to public attention.

From hell to a life of writing

The memoir also chronicles Feisterling's adventures in the late 1960s, when drugs, free love and a kind of frantic optimism came together to produce a brief and innocent taste of a better world.

Unlike many of his new compatriots, Feisterling was not shunning his last and middle-class family to retreat to He searched tirelessly for freelance writing work, lived in basements and barely survived. But he was young and, his memoir makes clear, he had the guts and talent to eventually triumph.

JOHN DEBBORSE

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Stolz (left), Parker, a party
with a brilliant guest list

With the arrival of Edwin (Nathan Richardson), a glamorous young war widow, they finally get something substantial to gossip about. The unshuffled Edwin sets her sights on the only eligible male, a man's boy named Godfrey (Adam DeVicci), son of the local mainstay Dean (Florence). She also goes out of her way to stir up a feud with Miss O'Hara, which turns into a scandal.

Unlucky Hugh Leonard wrote the script for Farrow and her mother, Maureen O'Sullivan, 20 years ago. Now, Farrow has called up to the role created for O'Sullivan, while Richardson plays the character intended for Farrow Richardson, who dominates every scene she is in, is a delight. But the other actors seem trapped in their little roles. The story, which hinges on a surprise twist, is a precious collection. And despite its picture-poster setting, the bed-and-breakfast charm of *Widow's Peak* seems thin.

WHEN A MAN LOVES A WOMAN Directed by Gus Mankiewicz

Twelve Steps, the Dick and Jane version: 1. Daddy is an urban pilot. 2. Mommy is lovely. Mommy drinks. Drink, drink, drink. 3. Mommy sets Kenny A. Manning into class. 5. Daddy is perfect. 6. Mommy says Daddy is too perfect. 7. Mommy joins class group. 8. Daddy feels like chopped liver. 9. Chopped liver brings of people who live with people like Manning and feel like chopped liver. 11. Daddy moves out. 12. Everyone waits for a happy ending.

In a culture obsessed by recovery, *When a Man Loves a Woman* tries to push all the right buttons. You have to admire its dramatically cute and perky Mrs. Ryan for being an acting job that requires her to suck to the death of alcoholism itself. The problem is, even when her character is drinking a quart of vodka a day, treating her children like dirt and falling down in the shower, she still looks cute and perky.

But it would be unfair to blame *When a Man Loves a Woman* on Ryan alone. Although this earnest drama deserves credit for tackling a serious problem in relatively detail, it scrums shockiness in lumpy-tulle clothes. Alice (Ryan) and Michael (Andy Garcia) appear to be the ideal couple. They meet reasonably, lose each other to beta and have two young daughters and a 10-year-old. As her ugly secret emerges, she moans while he cries. Will this ever get back the perfect 1957? Maybe, but it seems to take forever—one step at a time.

BRAND D. JOHNSON

FILMS

Tales of temptation

NAKED IN NEW YORK Directed by Lisa Alpert

It is odd seeing big-time movie stars in a sex-drama movie. The eclectic cast of *Naked in New York*, a modest first feature, includes screen legend Tony Curtis, James Bond star Timothy Dalton, comedian Whoopi Goldberg, and sex stars emmanuelle Kathleen Turner. *Naked* had a notice writer director (break out of film school). But Don Alpert has a leading hand from his teacher at Columbia University, director Martin Scorsese, who also served as his executive producer. *Naked* in New York is a semi-autobiographical portrait of a playwright on a young man. A movie that explores Manhattan life, like a small town of smart neurones, it recalls the work of Woody Allen. Although it lacks his sophisticated, it deals with the same concerns: art, success, insecurity and potency.

The charming but slightly self-absorbed line Stolz stars as Jack, a struggling playwright in Cambridge, Mass. As a student, he falls in love with Joanne, played with disarming grace by Mary-Louise Parker, and they move to together. But after she gets a job at an art gallery run by a wealthy dealer (Daniel), Jack's ego gets bruised—Joanne betrays. The dealer joins the couple to his beach house in Martha's Vineyard, where Jack desperately tries to hold his own at a party packed with

famous authors (who play themselves), including a surprise William Styron.

Jack's romance suffers more stress when he gets his first break and leaves Cambridge for the Manhattan theatre scene. A wonderfully ballroom Tony Curtis plays the alluring producer who stages his play. Ralph Macchio (*The Karate Kid*) displays a deft touch as Jack's friend, a sexually confused actor. And Jill Clayburgh is scintillating as his mother. Meanwhile, Turner, briefly parodying her own failed glamour, plays a sexually nervous soap star cast in Jack's play.

The story does not add up to much. Like its hero, the film falls prey of its ambitions. But with all its uneven success—*from* novelist Eric Bogosian to cross-dresser Quentin Crisp—watching *Naked* in New York is like creating a party with a brilliant guest list.

WIDOW'S PEAK Directed by John Free

After making 12 movies with Woody Allen, Min Parnow has found a safe retreat from segregationist Manhattan in 1950s rural Ireland. That is the setting for *Widow's Peak*, a quietly but grossly comical mystery about female intrigue. Parnow plays Miss O'Hara, a middle-aged spinster who joins a community of gossiping widows in a hilltop hamlet.

Romance runs up against success and secrecy

Minister in the hot seat

At the age of 54, Michel Dupuy launched two careers: he joined the civil service in Ottawa and edited his first novel, a love story called *La Saison et le feu* (Liberty, The Spring and the Fire), with a Quebec publisher. For the next 40 years, as an editorial affairs bureaucrat and a diplomat, he travelled to more than 70 countries and lived abroad for at least a dozen years. His literary ambitions, meanwhile, moved into the background. Dupuy wrote two more novels during the 1950s and '60s, but never showed them to publishers. "At the time, the editorial affairs departments did not encourage its staff to publish books," he says, laughing. "Writing books was free, they just didn't want you to publish them." Dupuy, 64—since November the federal cabinet member responsible for culture as heritage minister—still harbours dreams of an author. "The desire to write is something you always carry with you—it's like a bug," he told *Weekend's* late last month, but recently one of the first big challenges at his new post involves winning the trust of a skeptical Canadian publishing sector. Indeed, if Dupuy sticks with his plan to write his memoirs after he retires, his shortcomings as publishers' assuager prove to be not of the thinnest chapters.

The great minister comes to his portfolio at a time when budgetary restraints, made sensitive with the United States and a changing geopolitical environment, mean more of a first than a last step in Canada's cultural affairs. There are growing concerns that, as the global economy and the rapid commodification of the global village further erode national boundaries, the country may not be able to preserve its distinctive—especially when there is reduced money to share—cultural treasures that Dupuy, who has degrees from Oxford and the Université de Paris, is sceptical about the future of Canadian culture. "If you look at the past 10 or even 20 years, the growth of the cultural industries has been nothing short of spectacular," says Dupuy, a devoted *Monty Python* and opera and classical music enthusiast. "They have matured and reached a degree of excellence that is scripturally worldwide. We have nothing to be apologetic about."

For Dupuy, the key is to work with "the right policies and right forms of support" to sustain these accomplishments. Certainly, he will

**Michel Dupuy
is responsible
for culture at a
volatile time**



have his hands full as the head of a vast, \$5.8-billion portfolio that reaches some 30,000 people. The Heritage portfolio covers a fantastic array of responsibilities: the CBC, the CRTC, film and television production, books and magazine publishing, arts agencies, national museums and libraries, official languages, amateur sports, multiculturalism and national parks. Dupuy acknowledges that his cultural responsibilities alone are far too big. "It would be easy to get lost if I found me on all fronts at the same time," he says. "But there are windows of opportunity, moments to prevent legislation and to approve the supports that need to be given as Canadian creations."

There are several of those moments looking on the cultural horizon, and Dupuy's actions will be closely watched. One arrow from his desk with English-Canadian book industry newsletters, which began in mid-February with Ottawa's approval of the sale of two best-book publishers, Grant Publishing Canada Inc. and Macmillan Macmillan Canada, to U.S. entertainment giant Paramount Communications Inc. The deal, critics charged, contravened federal policies designed to increase Canadian control of book publishing. But Dupuy countered that he was legally bound by an act agreement between the previous Tory governments and Parliament. He also pointed to the benefits that resulted from the deal, including Paramount's promise to deliver \$4 million worth of business to Canadian distributors. On April 26, however, the Association of Canadian Publishers (ACP) complained to Dupuy that Paramount may already be skulking that agreement by transferring distribution of some books from its independent Canadian distributor, Distinct Inc., to a wholly owned subsidiary, Princeton Hall Canada. Officials at Princeton Hall Canada have denied that the chapters violate the Paramount undertakings.

Just four days earlier, Dupuy had attempted to put the Paramount controversy to rest by speaking to Canadian publishers at their recent annual meeting in Toronto. Even though he attempted to quell rampant rumours affecting that industry, some publishers' services, modified by his obvious passion for culture. "He's certainly saying all the right things," said Jack Sholder, chairman of Sholder Publishing



The Royal Winnipeg Ballet, Dupuy (opposite), has committed to the arts in unambiguous, but can he really enough political support?

and one of the most vocal critics of the Grosvenor Macmillan sale. "It's good to hear some of those commitments to culture being reinforced. We haven't heard them for a while." However, many eyes were not so sanguine, and their concerns became apparent during a sometimes tense question-and-answer session following Dupuy's speech.

The cultural community is also actively writing for Dupuy to take action in another hot spot, the magazine industry. Last year the federal Tory government set up a magazine task force to look into how to protect the \$485-million sector at the face of so-called split-run editions—foreign magazines that can offer lower advertising costs in special "Canadian" editions partly because most of their editorial costs have already been paid in the parent country. In March, the task force recommended that, among other things, 80 per cent of the fee be assigned to the value of advertising in any future editions. The Canadian industry is urging Dupuy to adopt that proposal, but it opposes another task force recommendation that existing ratings agencies be expanded.

Canadian publishers are particularly distressed about *Spent* diminished Canada, a split-run edition appearing six times a year and slated to increase to 32 by later this year. The task force provision would subject only the six new editions to the tax. And while the Canadian magazine industry claims that does not go far enough, said as U.S. Trade Representative Marjorie Markey's office have criticised the proposed tax and asked for a meeting with Ottawa officials.

Questioned about his room to maneuver on such sensitive issues, Dupuy offers to look at them as a diplomat—his wife was ambassador in France from 1984 to 1988—and a negotiator. "During the 1970s, I negotiated a major agreement between the U.S. and Canada—at the time it was the largest agreement in the history of civil aviation," he says. "You have to look at these things as all in a day's work. Naturally, whenever that Americans feel they are being adversely affected, they really build up a negotiating position. We do the same."

Dupuy points to some areas where he feels he has already achieved some success. He says that he helped the CBC achieve "historic stable multi-year revenues" by persuading his colleagues to allow the Crown corporation to implement an \$180-million budget cuts over five years

instead of the original two, and by persuading it to borrow up to \$25 million. And, he points out, he convinced Finance Minister Paul Martin to exempt the Canada Council, the senior arts agency, from cuts outlined in the Liberal February budget and instead secured a 3.3 per cent increase to its grants budget beginning next year. Still, the Council had a 10 per cent cut to its \$66-million grant budget in 1990-1991, and it is still implementing \$3.4 million in administrative cuts.

There are other pressing cultural concerns causing for Dupuy's attention. "It's not a very busy area," he predicts, not least because of an impending industry CRTC decision that promises to become another cultural cause célèbre. In February, U.S. entertainment giant Viacom Inc. looks over Paramount, general possession of Paramount's Canadian holdings, which include the Paramount Players chain. "New external cultural concerns demanding that, among other things, Viacom sell off controlling interest of Paramount Players to Canadians, and that Ottawa draft a film distribution policy that would give Canadian companies greater access to their own market."

But at the same time, some Ottawa leaders are wondering if Dupuy has the power to deliver any new programs he wants to introduce. Although he is as strong as federal policy—he was an advisor to the leader of the opposition, Jean MacGillivray, and to the Liberals when Prime Minister Jean Chrétien was in opposition—some insiders say that, as a new MP (he served West, near Montreal), Dupuy lacks political clout. One complaint is that he does not know how to build support for his plans within and outside the party. Meanwhile, some Liberals are already worrying over the damage the time away has done there in changing away at their self-proclaimed status as defenders of Canadian culture.

No matter, however, questions Dupuy's credentials as the cultural front. Born in Paris, educated at Montreal's exclusive Collège Ste-Marie before young years degrees abroad, including a doctorate in international law from the University of Toronto, Dupuy is a cultivated man. He shares his love of the performing arts with his wife, Michelle d'Almeida, a history professor at the University of Ottawa, who has two grown sons.

Connecting on his first six months on the job, Dupuy calls it "amazing experience." He says that it is his own riding, he has particularly related the wide contacts he has made. "Who else except a cleric, or a parish priest of the old days, would be able to meet people from all levels of society, talk to them and have them open up to you?" he wonders. "I have found it very moving." Recently, Dupuy read *Cherchez la femme* (The Adventure of Power), the memoirs of Gerard Philibert, the former Liberal who handled cultural issues in 1980 and 1985. "My God," he says, "I was struck by the similarity of our objectives." Michel Dupuy's commitment to culture is undeniable. What remains to be seen is whether he can translate it into action.

DAVID THORPE with ANTHONY WILSON SMITH in Ottawa



An Ottawa send-off for Charlie Lynch

BY ALLAN FOTHERINGHAM

A bunch of the boys were shopping it up in the press club saloon the other night, and nobody about the Ottawa player. There were there to toast and toast a drink of gin-fizzes, there not being very many of that breed left.

Charlie Lynch is a drink of journalism because he has always believed you can have fun while going about a serious business. On D-Day in 1944, Lynch somehow found a peano on the tub-carrying lums to the Normandy invasion. On the way to the biggest military adventure in history, he merrily gladdened away and led the lums in raucous song.

Lynch is now, at 74, the undisputed dean of the Ottawa press corps and is, for some strange reason, moving to Baffin Island. He has been battling cancer for more than a year. His second wife, Claudy Maddy, a former *Canadiana* MP, has a new job there with the Inuit and so the going wanted to say goodbye. Charles got up and played the harmonica and acted in outrageously as every one else.

Lynch has done it all. He was a cartoonist for *Canadian Press* in South America. He drank with Eisenhower in France. Two war correspondents who didn't like the use of atomic. In one of his best interviews, he found himself running the club regular at a whorehouse in France, the astonished army boys boozing down the door.

He covered the Nazis going to the cities. He covered the United Nations. The one piece he loved in *Normenty* carrying his dispatches to London all back and forth in the opposite direction. Right along with his cartooning trick, he was the first Canadian scribbler who made the leap into TV, becoming a *Lauson* million (he is) by entertaining on political affairs. He talks as he writes—coloured, severe, piousness not pretending to be a deep thinker. One of the jobs at *Normenty* was to write the *Canadian News*, where he provided for years as *Gleason*, was that there are winners who claim to have seen him write a column without taking all his hat. He wouldn't know a thesaurus if it bit on his foot.



When James Kinston was Washington bureau chief of *The New York Times*, he found the curly one Kennedy administration had brought his reporter's interview, he called JFK and offered this advice: "We were here long before you arrived and we'll be here long after you're gone." Lynch operated by the same philosophy—he never asked to enter save a single price minister.

Gleason is a friend even to his legends and Lynch was about to slide away to Baffin Island wherever that is, when a very nice lady by name of E. Kaye Tulane discovered to her rage that no one was doing anything about it. She burst up the phone lines and arranged the large drinks at the *Normenty* Press Club on Wellington Street, a day of vivacity among the lums from the *Travis Tower*, Charles presiding there every day at lunch at a respectable with smaller regulations.

Jean Christie dropped in for a while,

hosting a large flag of beer (Oletho there, well-known stuff). Robert Stoddard sent his regards and affection, an old Paul Martin and a host of others. Herb Gump's letter said "Oletho without Charlie Lynch will be like a story without black, dark, rock or real words." The *Monsters*, lacking without Don Cherry. Kim Campbell's letter said: "The *Anglo-judo* *Belmont*, when identifying the source of the word 'fracking', refers to Charlie Lynch, Virginia planner and author who, during the American Revolution, founded an irregular court devoted to puns: Loyalists."

Brian Wilmore's fax quoted: "As you may have heard, Miki and I are being kept pretty busy. There is quite a break between in somehand furniture and our little shop is doing quite well. Miki says the 1975 housewife is really a drag on our sales, but I told her to stop cribbing at me and phone Mike Wilson."

Strongly enough, not a single executive from *Southern* newspaper, where Lynch talked for a thousand years, bothered to attend. He left the largest newspaper per chair in the country, looking and screaming, at the mandatory 60 room, went to the *Spencer's* Mall and proceeded to take it all the way to the Charter of Rights.

A hard hat, he has played benefit concerts with his celebrated harmonica, has danced a tango with the National Ballet and has been decorated, twice, as a *Canadian* lyricist. He has been the sole star of the silent film called the *Normenty* Press and Alfred Warburton *Just* *Real* *Is*, that has scandalized audiences in pit stages across the nation, most of the verses only for *selection* papers.

The new breed of light-armed, Permanent residents on Parliament Hill does not approve, naturally of anyone who drops their pants onstage and so regards Lynch as a dinosaur from the *Widesville* stage. They've never seen him do his act on an ice floe, as Baffin Island will soon find out.

Jonrakim is so anxious these days that having fun, while verboten, is very close to being declared illegal. I suspect Lynch is fleeing to Baffin Island for fear he will be put in jail. If there is anything faster in politics today than *Press*/Manning and his reform evangelists who think having hair shirts will change the world, we haven't seen it. Charlie hopes to make it back to *Normenty* for the 50th anniversary on June 6 and knowing him, he'll find a pane somewhere, if not a warehouse. They don't make them like that any more.

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